EXHIBIT 1

United States of America and the State of Wisconsin

v.

NCR Corporation, Appleton Papers Inc., Brown County, City of Appleton, City of Green Bay, CBC Coating, Inc., Georgia-Pacific Consumer Products LP, Kimberly-Clark Corporation, Menasha Corp., Neenah-Menasha Sewerage Commission, Newpage Wisconsin Systems, Inc., P.H. Glatfelter Co., U.S. Paper Mills Corp., and WTM I Company

Civil Action No. 10-C-910

Expert Report of Gary Kleinrichert, CPA/ABV/CFF, CVA

September 7, 2012

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I. ASSIGNMENT AND DOCUMENTS CONSIDERED

FTI has been engaged by Greenberg Traurig LLP ("Counsel") on behalf of a joint defense group consisting of P.H. Glatfelter Co., CBC Coating, Inc., Menasha Corp., U.S. Paper Mills Corp., Neenah-Menasha Sewerage Commission, and WTM I Company (collectively, the "Joint Defense Group"). I have been asked to assess the ability of NCR Corporation ("NCR") to pay future anticipated remediation costs associated with cleanup activities along the Fox River and in the Green Bay area.

In conducting my analysis, I have reviewed financial information, depositions, documentation and other information provided to me in this case.

This report and the opinions and conclusions reached herein are based on my review of this information as well as my knowledge, education, experience and training. I have included a list of sources and information considered in the preparation of this report as **Appendix B.**

To the extent that additional documents or information are made available to me, I will review such documents and information and may incorporate information learned about the facts or circumstances of this matter into my analyses, conclusions and/or opinions. I reserve the right to update, supplement, and amend my opinions as additional information becomes available.

II. SUMMARY OF OPINIONS

I have analyzed NCR's future projected cash flow from its business operations, as well as NCR's current and projected available cash and borrowing capacity, to determine whether NCR is capable of paying the entirety of the anticipated costs for remediation activities related to the cleanup of polychlorinated biphenyls ("PCBs") in portions of the Fox River and the Bay of Green Bay in Wisconsin (the "Fox River Site"). During the anticipated period for the remaining remediation activities, NCR is projected to generate cash flows well in excess of the annual Fox River Site remediation costs and will also consistently have significant additional cash and available borrowing capacity under the terms of its revolving credit facility after the payment of the entirety of the anticipated Fox River Site remediation costs.

Table 1

NCR's Projected Cash and Additional Borrowing Capacity Under the Revolving Credit Facility
Excluding Impact of Indemnification Agreements
(in millions)

	2012	2013	2014	2015	2016	2017
NCR's estimates of total Fox River Site costs	$ 76	$ 93	$ 93	$ 64	$ 64	$ 64

NCR's Projected Cash Flows

	2H 2012	2013	2014	2015	2016	2017
Free Cash Flow after debt service before Fox River Site costs	$ 50	$ 108	$ 151	$ 143	$ 169	$ 53
Anticipated Fox River Site costs (after tax) [1]	25	68	68	47	47	47
Free Cash Flow after debt service and anticipated Fox River Site costs	$ 25	$ 40	$ 83	$ 96	$ 122	$ 6

Projected available cash and additional borrowing capacity under the terms of NCR's revolving credit agreement

	2H 2012	2013	2014	2015	2016	2017
Prior period-end cash balance	$ 377	$ 402	$ 442	$ 525	$ 621	$ 743
Free Cash Flow after debt service and anticipated Fox River Site costs	25	40	83	96	122	6
Year-end Cash Balance [2]	$ 402	$ 442	$ 525	$ 621	$ 743	$ 749
Additional borrowing capacity under the terms of NCR's revolving credit agreement	700	700	700	700	700	700
Available cash and existing borrowing capacity under the original revolving credit agreement after Fox River Site costs	$ 1,102	$ 1,142	$ 1,225	$ 1,321	$ 1,443	$ 1,449

Source: Exhibits 8 and 4.

Notes:
[1] After adjusting total costs for amounts paid in the first half of 2012 and tax impacts.
[2] Excludes any increase in cash necessary to support additional working capital growth.

Additionally, I understand that NCR has indemnification agreements with AT&T, Inc. ("AT&T") and Lucent Technologies Inc. ("Lucent"). After giving consideration to these indemnification agreements, NCR is projected to generate cash flows well in excess of the annual Fox River Site remediation costs and will also consistently have significant additional cash and available borrowing capacity under the terms of its revolving credit facility after the payment of the entirety of the anticipated Fox River Site remediation costs.

Table 2

NCR's Projected Cash and Additional Borrowing Capacity Under the Revolving Credit Facility
Including Impact of AT&T and Lucent Indemnification Agreements
(in millions)

	2012	2013	2014	2015	2016	2017
NCR's estimates of total Fox River Site costs	$ 76	$ 93	$ 93	$ 64	$ 64	$ 64

NCR's Projected Cash Flows

	2H 2012	2013	2014	2015	2016	2017
Free Cash Flow after debt service before Fox River Site costs	$ 50	$ 108	$ 151	$ 143	$ 169	$ 53
Anticipated Fox River Site costs (after tax) [1]	25	68	34	23	23	23
Free Cash Flow after debt service and anticipated Fox River Site costs	$ 25	$ 40	$ 117	$ 120	$ 146	$ 30

Projected available cash and additional borrowing capacity under the terms of NCR's revolving credit agreement

	2H 2012	2013	2014	2015	2016	2017
Prior period-end cash balance	$ 377	$ 402	$ 442	$ 559	$ 679	$ 825
Free Cash Flow after debt service and anticipated Fox River Site costs	25	40	117	120	146	30
Year-end Cash Balance [2]	$ 402	$ 442	$ 559	$ 679	$ 825	$ 855
Additional borrowing capacity under the terms of NCR's revolving credit agreement	700	700	700	700	700	700
Available cash and existing borrowing capacity under the original revolving credit agreement after Fox River Site costs	$ 1,102	$ 1,142	$ 1,259	$ 1,379	$ 1,525	$ 1,555

Source: Exhibits 8 and 11.

Notes:
[1] After adjusting total costs for the impact of AT&T and Lucent indemnification, amounts paid in the first half of 2012, and tax impacts.
[2] Excludes any increase in cash necessary to support additional working capital growth.

In addition to the agreements with AT&T and Lucent, I understand that NCR has indemnification agreements with Appleton Papers Inc. ("API") and B.A.T. Industries p.l.c. ("BAT"). After giving consideration to all of these indemnification agreements, NCR is projected to generate cash flows well in excess of the annual Fox River Site remediation costs and will also consistently have significant additional cash and available borrowing capacity under the terms of its revolving credit facility after the payment of the entirety of the anticipated Fox River Site remediation costs.

Table 3

NCR's Projected Cash and Additional Borrowing Capacity Under the Revolving Credit Facility
Including Impact of AT&T, Lucent, and API/BAT Indemnification Agreements
(in millions)

	2012	2013	2014	2015	2016	2017
NCR's estimates of total Fox River Site costs	$ 76	$ 93	$ 93	$ 64	$ 64	$ 64
NCR's Projected Cash Flows						
	2H 2012	**2013**	**2014**	**2015**	**2016**	**2017**
Free Cash Flow after debt service before Fox River Site costs	$ 50	$ 108	$ 151	$ 143	$ 169	$ 53
Anticipated Fox River Site costs (after tax) [1]	(8)	27	14	9	9	9
Free Cash Flow after debt service and anticipated Fox River Site costs	$ 58	$ 81	$ 137	$ 134	$ 160	$ 44
Projected available cash and additional borrowing capacity under the terms of NCR's revolving credit agreement						
	2H 2012	**2013**	**2014**	**2015**	**2016**	**2017**
Prior period-end cash balance	$ 377	$ 435	$ 516	$ 653	$ 787	$ 947
Free Cash Flow after debt service and anticipated Fox River Site costs	58	81	137	134	160	44
Year-end Cash Balance [2]	$ 435	$ 516	$ 653	$ 787	$ 947	$ 991
Additional borrowing capacity under the terms of NCR's revolving credit agreement	700	700	700	700	700	700
Available cash and existing borrowing capacity under the original revolving credit agreement after Fox River Site costs	$ 1,135	$ 1,216	$1,353	$1,487	$1,647	$1,691

Source: Exhibits 8 and 14.

Notes:
[1] After adjusting total costs for the impact of AT&T, Lucent, and API/BAT indemnification, amounts paid in the first half of 2012, and tax impacts.
[2] Excludes any increase in cash necessary to support additional working capital growth.

I have also reviewed the financial position and historical financial performance of NCR's indemnitors and determined that, for each party other than API,[1] those parties' shares of the anticipated Fox River Site remediation costs represent an immaterial amount to each company's overall financial position and results. This is true for AT&T, Alcatel-Lucent,[2] and British

[1] For API, I have determined that API does have significant financial resources, however its share of the Fox River Site costs under the indemnification agreement is material to their financial position and results.
[2] Alcatel-Lucent is the parent company to Lucent Technologies Inc., which is the party to the indemnification agreement with AT&T and NCR. Alcatel-Lucent Annual Report on Form 20-F 2011, p. 1.

American Tobacco p.l.c.,[3] each of which has indemnified NCR or has a subsidiary which has indemnified NCR for Fox River Site costs.

Based on my analysis, NCR is projected to have significantly more than enough cash and borrowing capacity under the revolving credit facility to pay the entirety of the anticipated Fox River Site remediation costs. Additionally, I have concluded that NCR projects to have significantly more than enough cash and available borrowing capacity under the revolving credit facility to pay, with its indemnitors, the entirety of the anticipated Fox River Site remediation costs.

III. QUALIFICATIONS OF GARY KLEINRICHERT, CPA/ABV/CFF, CVA

I am a Senior Managing Director in FTI's Forensic and Litigation practice and have over 27 years experience as an auditor and as a consultant in accounting, auditing, investigative, damages and valuation matters. Prior to joining FTI, I was a partner in the international accounting firm of KPMG LLP ("KPMG").[4] Throughout my career I have performed a variety of services including serving as a business advisor and auditor to public and private companies, non-profit entities and government agencies, as well as conducting numerous accounting and forensic investigations, damages assessments in complex litigation, business valuations, due diligence and other consulting related to mergers and acquisitions.

I am a Certified Public Accountant, Accredited in Business Valuation, Certified Valuation Analyst and am Certified in Financial Forensics. I am a member of the American Institute of Certified Public Accountants, Illinois CPA Society, Indiana CPA Society, National Association of Certified Valuation Analysts and the Association of Certified Fraud Examiners. I earned my Bachelor of Science degree in Accountancy and Computer Sciences from St. Joseph's College.

I have included a copy of my curriculum vitae, which also includes a list of my recent testimony experience and publications, as **Appendix A** to this report. FTI is being compensated at a rate of

[3] British American Tobacco p.l.c. is the parent company of B.A.T. Industries p.l.c., which is the party to the indemnification agreement with API and NCR.

[4] I left PwC where I was then a partner in July 1999 to join Andersen as a direct admit partner. In May 2002, KPMG purchased a portion of the Value Solutions practice of Andersen in which I was a partner. FTI acquired the domestic Dispute Advisory Services (DAS) business of KPMG on October 31, 2003.

$590 per hour for my services. FTI is also being compensated at a range between $225 and $550 per hour for the services performed by other professionals under my supervision.

IV. CASE BACKGROUND[5]

A. BACKGROUND OF CERTAIN ASPECTS OF THE FOX RIVER SITE LITIGATION

This matter relates to efforts to remediate PCBs at the Fox River Site. The presence of PCBs is primarily the result of the production of carbonless copy paper.[6] The carbonless copy paper was coated with PCBs, which do not break down readily by natural processes.[7]

Facilities in Appleton and Combined Locks, WI, produced carbonless copy paper.[8] Carbonless copy paper containing PCBs was produced at these mills from 1954 until 1971.[9] These facilities were owned by Appleton Coated Paper Company and Combined Paper Mills, Inc.[10] The PCB-coated waste paper from that production process was also reprocessed at the facility in Combined Locks.[11] The production and reprocessing processes resulted in the discharge of water containing PCBs into the Fox River.[12] The carbonless paper production process also resulted in PCB-coated scrap paper (referred to as "broke"), which was sold at a discount to other paper mills. Those other paper mills reprocessed the paper to obtain the fiber, which resulted in the release of PCB's into the Fox River.[13]

During the period from 1969 to 1971, NCR Corporation acquired Appleton Coated Paper Company and Combined Paper Mills, Inc., and merged those companies to form NCR's Appleton Papers Division.[14] In 1978, B.A.T. Industries p.l.c. ("BAT") purchased NCR's Appleton Papers Division, which became known as Appleton Papers, Inc. ("API"). In 1990, BAT spun off API to Wiggins Teape Appleton p.l.c. and Wiggins Teape Appleton (Holdings) p.l.c., which later

[5] This section describes my understanding of certain elements of the case background and certain agreements between parties. I make no legal opinions with respect to any of the items described and am merely describing my understanding from filings in the case and publicly available documents and disclosures.
[6] Decision affirming the preliminary injunction against NCR, p. 3.
[7] Dkt 30, ¶4.
[8] Dkt 30, ¶¶46-48.
[9] Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 10.
[10] Dkt 468, p. 3.
[11] Dkt 30, ¶¶46-48.
[12] Dkt 30, ¶¶50-51.
[13] Dkt 30, ¶¶49, 52, and as examples ¶¶57 and 67.
[14] Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, pp. 3-4.

became known as Arjo Wiggins Appleton Ltd. ("AWA"). In 2001, API's employees acquired API from AWA through an employee stock ownership plan.[15] In connection with that acquisition, AWA agreed to indemnify API for "almost all of its Fox River related costs" in exchange for API's proxy on matters related to the Fox River Site.[16] To provide financial assurance that AWA would be able to meet its indemnification obligations, among other things, AWA purchased indemnity claim insurance from an affiliate of American International Group, Inc. with a policy limit of $250 million.[17]

NCR received notice from the Environmental Protection Agency ("EPA") that it was a potentially responsible party ("PRP") for PCB contamination in the Fox River Site.[18] In 1997, the EPA indicated that it intended to list the Fox River Site on the National Priorities List of Contaminated Sites pursuant to the federal Comprehensive Environmental Response, Compensation, and Liability Act, ("CERCLA"). In connection with this, the EPA identified seven PRPs, including many of the defendants in this matter.[19] In 1998, the EPA and the Wisconsin Department of Natural Resources ("WDNR") began work to develop a cleanup plan for the Fox River Site.[20] Also in 1998, NCR, API, and BAT entered into a confidential settlement agreement addressing the treatment of certain liabilities related to the Fox River Site. The parties agreed that for the first $75 million of costs related to the Fox River Site, NCR would pay 45% and API and BAT would jointly and severally be liable for the remaining 55%. The parties agreed to determine the sharing of costs after the first $75 million based on arbitration, which took place in 2005 and resulted in a decision that NCR would be liable for 40% of costs over $75 million and API and BAT would jointly and severally be liable for the remaining 60%.[21]

In 2002, the EPA issued a final cleanup plan for the Fox River Site, which divided the river into five "operable units".[22] This cleanup plan was contained in Records of Decisions issued in January 2003, July 2003, and June 2007. The plan calls for a combination of dredging and

[15] Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 4.
[16] Dkt 468, p. 3. My understanding of this arrangement is that AWA (or Windward, as the relevant entity is now known) agreed to indemnify Paperweight Development Corp. (API's parent company) and Paperweight Development Corp. agreed to indemnify API. Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 12.
[17] Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 90.
[18] Dkt 468, p. 4.
[19] Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 10.
[20] Decision affirming the preliminary injunction against NCR, p. 3.
[21] Dkt 472, p. 3.
[22] Decision affirming the preliminary injunction against NCR, pp. 3-4.

capping of sediment in the Fox River Site to address PCBs at concentrations greater than 1 part per million as well as monitored natural attenuation in the Bay of Green Bay.[23] On November 13, 2007, a unilateral administrative order ("UAO") was issued requiring the PRPs to implement the remedial work included in the EPA's cleanup plan.[24]

To facilitate the cleanup activities, NCR and API formed the Lower Fox River Remediation LLC (the "LLC") in 2009.[25] The LLC conducts remediation activities through its primary contractor as well as its subcontractors and other vendors. The LLC has been funded through cash calls to NCR and API, which, until recently, each has paid in proportion to its share of the remediation costs as determined in the 2005 arbitration (i.e. 60% API and 40% NCR). API has stopped paying its share as of April 2012.[26] The LLC cash calls are calculated based on current invoices and projected future costs to ensure the LLC has sufficient cash on hand to cover three months of invoices from its primary contractor.[27,28]

B. Fox River Site Remediation Costs to-date and Anticipated Future Costs

I understand that work for the first three operable units is largely complete, and approximately 30% of the dredging has been completed for operable unit four.[29]

In its Memorandum of Law in Support of Its expedited Motion to Enforce the 40/60 Cost-Sharing Consent Judgment Against Appleton Papers Inc. filed August 2, 2012, NCR details $70 million in historical costs incurred which were shared between NCR and API; describes certain costs paid directly by API and shared by NCR for which NCR does not provide an amount; and indicates that, in addition, NCR and API have incurred to-date over $280 million.[30] Thus, in this filing, NCR indicates that NCR and API collectively have paid in excess of $350 million related to remediation activities at the Fox River Site "to-date" (filing as of August 2, 2012).

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[23] NCR Corporation Form 10-K for the year ended December 31, 2011, p. 82; Decision affirming the preliminary injunction against NCR, p. 4.
[24] NCR Corporation Form 10-K for the year ended December 31, 2011, p. 82.
[25] Dkt 468, p. 7; NCR Corporation Form 10-K for the year ended December 31, 2011, p. 82.
[26] Dkt 487, pp. 1-2.
[27] Dkt 468, p. 7.
[28] I understand that API and NCR are currently involved in litigation related to the enforcement of their cost-sharing agreement. I make no conclusions and form no legal opinions with respect to the merits of any of these legal claims of the parties or their future impact.
[29] Decision dated August 3, 2012 affirming the preliminary injunction against NCR, pp. 4-5.
[30] Dkt 468, pp. 6-7.

These costs paid by NCR and API have been largely or even entirely covered by insurance recoveries. In connection with its indemnification of API, AWA took out an insurance policy with $250 million of coverage, the entirety of which has been used up (i.e. paid out or assigned to be paid out) as of December 31, 2011.[31] API itself has pursued insurance recoveries for Fox River Site environmental claims and eventually negotiated settlements with its insurers.[32] API pays over insurance recoveries to AWA pursuant to the terms of the indemnification agreement between those entities.[33] API itself has recorded a receivable for $8.9 million for insurance settlements received ***in excess of*** the amounts reimbursable to AWA.[34, 35] Additionally, NCR itself has collected approximately $162 million as of June 30, 2012 in connection with insurance settlements related to the Fox River sites and other matters.[36]

With respect to estimated costs to complete the UAO, in its 2011 Form 10-K, NCR disclosed that its estimated environmental liability payments for the Fox River Site (net of the payments of its co-obligors (i.e. API/AWA), but without consideration of insurance recoveries or indemnification by other indemnitors, (i.e. AT&T and Lucent)) were projected to be $40 million in 2012, $74 million in total during 2013 and 2014, $51 million in total during 2015 and 2016, and $75 million in total during 2017 and thereafter.[37] Given my understanding of the cost-sharing agreements with API (60% paid by API and 40% paid by NCR for costs), this $240 million of anticipated future costs to NCR indicates total anticipated future costs, as of December 31, 2011, of $600 million. In addition, in its 2011 Form 10-K, NCR indicates that it anticipates total past and future costs of $852 million for all segments of the river, including operable unit one through operable unit five, the remaining amount of work to be performed under NCR's April 2009 agreement with its contractor, the Phase 1 work, remedial design work, a 15% contingency on the preceding amounts, an estimate for future oversight costs, an amount for past oversight costs, an estimate for long-term monitoring extending over several decades, an estimate for value engineering savings, and the NCR-API share of estimated natural resource damages.

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[31] Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 12.
[32] Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 12.
[33] Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 12.
[34] Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 12.
[35] In NCR Corporation's Opposition to Appleton Paper Inc.'s Motion to Stay or Strike NCR's Motion to Enforce the 40/60 Cost-Sharing Judgment and for Entry of an Order Compelling Arbitration, NCR noted that API has received "substantial Fox River related insurance recoveries." Dkt 487, p. 10.
[36] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 19.
[37] NCR Corporation Form 10-K for the year ended December 31, 2011, p. 33.

In its Memorandum of Law in Support of Its expedited Motion to Enforce the 40/60 Cost-Sharing Consent Judgment Against Appleton Papers Inc. filed August 2, 2012, NCR has estimated $70 million of costs to be incurred for Fox River Site remediation work related to 2012.

In its 2011 Form 10-K, API estimates the remaining remediation and administration costs for operable units 2-5 to be approximately $400 million based on the most recent work plans.[38]

Additionally, I have reviewed NCR's latest projection of the costs to complete remediation work under the UAO as provided at the deposition of Sue O'Connell, a 30(b)(6) witness for NCR. This projection indicates a total remaining cost of approximately $370 million as of July 31, 2012 to complete the remaining remediation work and for at least some long-term monitoring. I understand that Ms. O'Connell testified that NCR expected remediation costs to total $76 million in 2012. I have also reviewed the United States' most recent projection of costs to complete the remediation work, which ranges from approximately $336 million to $391 million as of December 31, 2011.[39]

For purposes of my analysis, I have assumed the remaining pre-tax remediation costs to complete the Fox River Site cleanup as indicated in Table 4 below.

Table 4

Projected Future Fox River Site Remediation Costs

(in millions)

	2012	2013	2014	2015	2016	2017	Total
NCR's projected Fox River Site costs		$ 37	$ 37	$ 26	$ 26		
NCR's share of total Fox River Site costs based upon the NCR-API/AWA/BAT indemnification agreement		40%	40%	40%	40%		
Total anticipated cleanup costs based upon NCR disclosure and testimony	$ 76	$ 93	$ 93	$ 64	$ 64	$ 64	**$ 452**

Source: Exhibit 8.

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38 Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 12.

39 Based on the "Design Forecast 2012-08-24B Deposition.xlsm" file produced related to the deposition of George Berken.

I believe this projection of future Fox River Site remediation costs is conservative considering NCR's projected remaining remediation costs of $370 million after July 31, 2012 and the United States' projection of $336 million to $391 million of remaining remediation costs after December 31, 2012.[40]

V. Discussion of NCR's Historical Results

A. NCR's Business Operations and Certain Recent Developments

NCR is a publicly traded corporation that was originally incorporated in 1884. The company provides self-service and assisted service solutions for customers in the financial services, retail, hospitality, travel and gaming and entertainment industries. Its products include automated teller machines, self-service kiosks and point of sale devices as well as software applications that can be used by consumers to enable them to interact with businesses from their computer or mobile device. NCR also offers services to help customers design, use, and support NCR's products as well as reselling third-party networking products and provides services for the telecommunications and technology sectors.[41] As of September 6, 2012, NCR's market capitalization was approximately $3.7 billion.[42]

As of June 30, 2012, NCR's management was optimistic about its prospects. According to NCR's CEO:

> Solid financial results and strong order growth in the second quarter, led by our Financial Services and Hospitality businesses, leave us on firm ground to achieve our full year objectives...U.S. regional banks continue to drive higher revenues as they embrace advanced customer service technologies and we are successfully capturing growth opportunities in key emerging markets as evidenced by order growth in Brazil during the second quarter. We have also continued to invest in innovation, most notably in our small and medium business offerings, with the recent introduction of NCR Silver. Our Hospitality vertical remains on track and we are actively strengthening our presence in key emerging markets such as Brazil. Looking ahead, we are focused on executing upon expanding global

[40] I understand that in addition to costs to complete the remediation activities, there will be additional costs related to long-term monitoring. However, I understand that these costs will most likely take place over the course of decades and will be of a much lower order of magnitude than the remediation costs (for example, NCR's latest total cost estimate includes total long-term monitoring and other remediation costs of approximately $16.5 million).
[41] NCR Corporation Form 10-K for the year ended December 31, 2011, p. 1.
[42] http://finance.yahoo.com.

> opportunities across our verticals while also further growing our software and services revenue and driving profitable growth.[43]

During 2011, NCR acquired Radiant Systems Inc. ("Radiant"), a leading provider of multichannel point-of-sale and managed hosted service solutions to the hospitality and specialty retail industries. NCR paid approximately $1.2 billion in the transaction,[44] which was financed largely through debt in the form of a secured credit facility.[45] The terms of NCR's secured credit facility provide for a term loan of $700 million requiring quarterly principal payments of $17.5 million per quarter beginning March 31, 2013, with the remaining balance due in August 2016.[46] The secured credit facility also includes a $700 million revolving line of credit.[47] As of June 30, 2012, NCR had outstanding debt of $725 under its secured credit facility and total outstanding debt of $740 million.[48] Subject to the terms of its secured credit facility and related covenants, NCR had approximately $675 million of available borrowing capacity under this debt facility as of June 30, 2012.[49]

In July 2012, NCR announced its plan to materially reduce its underfunded pension obligations. NCR intends to offer qualifying members of its pension plan the option of a lump-sum payment in lieu of their long-term pension payments. NCR also plans to make supplemental contributions to its pension fund. These efforts – which NCR intends to fund in part through $500 million of capital-market borrowing – are expected to reduce its underfunded pension obligation by approximately $800 million.[50]

On August 14, 2012, NCR filed a Form 8-K with the SEC indicating that it had received anonymous allegations from a purported whistleblower regarding certain aspects of the Company's business practices in China, the Middle East and Africa. If accurate, the alleged

[43] http://www.ncr.com/newsroom/resources/q2-2012.
[44] NCR Corporation Form 10-K for the year ended December 31, 2011, pp. 1 and 22.
[45] NCR Corporation Form 10-K for the year ended December 31, 2011, p. 32.
[46] NCR Corporation Form 10-K for the year ended December 31, 2011, p. 63.
[47] Additionally, letters of credit apply to the available debt capacity under this revolving line of credit. At June 30, 2012, outstanding letters of credit totaled approximately $19 million. NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 10. Certain provisions of the company's borrowing arrangements are described in additional detail later in this report.
[48] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 5.
[49] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 10. The secured credit facility also includes a provision allowing NCR to request additional credit of up to $500 million in the form of term loans; NCR Corporation Form 10-K for the year ended December 31, 2011, p. 64.
[50] http://online.wsj.com/article/BT-CO-20120731-722226.html.

business practices might constitute a violation of the Foreign Corrupt Practices Act. NCR has indicated that at least some of the allegations appear to be untrue and has begun an internal investigation into the matter.[51]

B. ANALYSIS OF NCR'S HISTORICAL FINANCIAL PERFORMANCE[52]

Since 2006, NCR's revenues have grown from approximately $4.6 billion to $5.4 billion in 2011, resulting in a compound annual growth rate ("CAGR") over this period of approximately 3.5%. However, NCR's revenues experienced a decline in 2009, consistent with the downturn in the world economy in general. Since that decline, NCR's revenues have grown at a CAGR of approximately 8.8% during the 3-year period from 2009 to 2011.[53]

Table 5
NCR's Historical Revenues
(in millions)

	2011	2010	2009	2008	2007	2006
Product revenues	$2,744	$2,400	$2,228	$2,861	$ 2,693	$2,428
Service revenues	2,699	2,410	2,371	2,454	2,277	2,154
Total revenues	$5,443	$4,810	$4,599	$5,315	$ 4,970	$4,582

CAGR 2006 to 2011	3.5%
CAGR 2009 to 2011	8.8%

Source: Exhibit 1.1.

Additionally, NCR has generated approximately $2.7 billion of revenues in the six months ended June 30, 2012, compared to $2.3 billion in the six months ended June 30, 2011. Historically, NCR's revenues have been relatively evenly divided between products and services, as shown in Table 5 above.

[51] NCR Corporation Form 8-K filed August 14, 2012.
[52] This section is a brief description of NCR's historical performance and should be read in conjunction with NCR's historical press releases, SEC filings, and comments made during earnings calls.
[53] For NCR's historical financial information, see Exhibits 1.1 to 1.4.

Historically, NCR's sales are seasonal, with lower revenues in the first quarter and higher revenue in the fourth quarter of a typical year. Additionally, revenue in the third month of each quarter is typically higher than in the first and second months. As a result, NCR's working capital cash flow requirements vary from quarter to quarter depending on variability in the volume, timing and mix of product sales.[54] This tendency toward seasonality is also reflected in NCR's earnings.[55]

From 2006 to 2011, NCR has generated gross margins[56] ranging from 19.1% to 22.3%, with gross margins of 20.9% and 20.0% in 2011 and 2010, respectively. NCR's operating profit[57] ranged from $65 million to $322 million over the same period, with its lowest operating profit coming in 2011. However, this amount was negatively impacted by an $88 million non-cash charge for impairment of goodwill and long-lived assets related to its entertainment business, which was caused by NCR's determination that it was probable the company would dispose of that segment (during 2012, NCR sold its entertainment business to Redbox Automated Retail, LLC for $100 million in cash[58]).[59] Excluding this impairment charge, NCR's operating profit during 2011 was approximately $153 million, which is above its operating profits of $106 million and $103 million in 2010 and 2009, respectively.

NCR's income from continuing operations[60] attributable to NCR common stockholders ranged from $50 million to $249 million, with the lowest profit in 2011. Adjusting for the impact of the impairment charge would make NCR's income from continuing operations comparable to the $116 million in 2010 and greater than the $62 million in 2009. Income from discontinued operations[61] (where NCR currently reports the impacts of its costs and liabilities related to the Fox River Site[62]) has ranged from -$95 million to $231 million. In 2010 and 2011, income from

[54] NCR Corporation Form 10-K for the year ended December 31, 2011, p. 5.
[55] Exhibit 10.
[56] Gross margin is equal to gross profit divided by sales. Gross profit is sales less the cost of the products or services sold.
[57] Operating profit is equal to sales less the cost of the products or services sold, selling expenses, general and administrative expenses supporting the business's operations, research and development expenses, and impairments of long-lived and other operating assets.
[58] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 10.
[59] NCR Corporation Form 10-K for the year ended December 31, 2011, pp. 62-63.
[60] Income considering all revenues, expenses, gains, and losses except those related to operations that the business has disposed of or ceased operating or is planning to dispose of or cease operating.
[61] Income related to operations that the business has disposed of or ceased operating or is planning to dispose of or cease operating.
[62] NCR Corporation Form 10-K for the year ended December 31, 2011, pp. 28, 32.

discontinued operations has been slightly positive, due in part to reductions in the anticipated total cost to complete remediation work at the Fox River Site and insurance recoveries for related costs.[63] NCR reported insurance recoveries in connection with the Fox River Site and other matters, through June 30, 2012, of $162 million.[64]

From 2006 to 2011, NCR's EBITDA[65] (which is often used as an approximation of a company's pre-tax cash flow) ranged from $231 million to $436 million, with EBITDA of $233 million in 2011. Adjusting for the impact of the goodwill and long-lived asset impairment charge, NCR's 2011 EBITDA would be $321 million, above its EBITDA of $244 million and $231 million in 2010 and 2009, respectively.

In the six months ended June 30, 2012, NCR's gross margin has increased to 24.7%, and its operating profits have increased to $150 million. Income from continuing operations has also increased to $105 million and EBITDA is relatively flat at $231 million. These income amounts are comparable to or greater than the full-year 2011 amounts despite the fact that they are the results for only the first six months of 2012. Additionally, in the 4.5 years from 2008 through June 30, 2012, NCR has generated cumulative cash flows from operations in excess of $1.4 billion, or $320 million per year.

With respect to NCR's balance sheet, NCR's current assets have trended slightly upward from $2.3 billion in 2009 to $2.6 billion at June 30, 2012. Over the same period, NCR's cash balance has decreased slightly from $451 million at December 31, 2009 to $377 million at June 30, 2012.

NCR's working capital[66] has increased somewhat from $917 million at December 31, 2009 to $967 million at June 30, 2012. During the period from December 31, 2009 to December 31, 2011, NCR's working capital as a percentage of sales has decreased slightly but remained relatively constant. NCR's working capital at June 30, 2012 suggests that its average working capital in 2012 will be relatively unchanged from 2011 despite being on pace for higher revenues. This suggests that, at least as of 2012, NCR's working capital is sufficient to support higher levels of revenue without significant contributions.

[63] NCR Corporation Form 10-K for the year ended December 31, 2011, pp. 28, 32.
[64] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 19.
[65] Equal to a company's overall net income plus interest, taxes, depreciation, and amortization, or operating income plus depreciation and amortization.
[66] Working capital is current assets less current liabilities.

In 2009 and 2010, NCR's total debt was $15 million and $11 million, respectively, compared to total assets of $4.1 billion and $4.4 billion. However, NCR's debt levels increased in 2011 in connection with its acquisition of Radiant. NCR has reduced that debt obligation through principal payments on the revolving loan, and as of June 30, 2012, NCR's outstanding debt was $740 million.

As previously discussed, NCR also has an underfunded pension obligation. As of June 30, 2012, NCR's net underfunded pension obligation was approximately $1.3 billion. If NCR carries out its anticipated plan to address this pension underfunding through $500 million of increased debt,[67] it would increase NCR's total outstanding debt to $1.2 billion.

In its June 30, 2012 Form 10-Q for the quarter ended June 30, 2012, NCR indicated that the "Moving Ahead for Progress in the 21st Century Act" was expected to reduce required contributions to its U.S. qualified pension plan, but that NCR would not be able to estimate the impact of the legislation until supporting regulations are released.[68]

I also reviewed NCR's disclosures related to its financial condition, liquidity, and capital resources. Although NCR does not provide guidance on this issue beyond 2012, NCR did note in it 2011 Form 10-K filing that it believed it had sufficient liquidity based on its current cash position, cash flows from operations and existing financing to meet expected pension, postemployment, and postretirement plan contributions, remediation payments related to the Fox River Site, debt service obligations, and operating requirements for the next twelve months.[69] NCR reiterated this ability to meet its obligations and operating requirements for the next twelve months in its Form 10-Q for the quarter ended June 30, 2012.[70]

As of June 30, 2012, NCR's current ratio[71] was approximately 1.59. Since 2008, NCR's current ratio has fluctuated slightly around that level but has remained relatively constant. NCR's quick ratio[72] at the same date was approximately 0.88, down slightly from its 2011 level of .92 and

[67] Per NCR, this $500 million of proceeds will have an impact of reducing the underfunded pension obligation by approximately $800 million through contributions to its U.S. pension plan and offering a voluntary lump sum payment option to certain former employees. http://www.ncr.com/newsroom/resources/lump-sum-pension.
[68] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 40.
[69] NCR Corporation Form 10-K for the year ended December 31, 2011, p. 33.
[70] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 40.
[71] Current ratio is current assets divided by current liabilities.
[72] Quick ratio is cash and cash equivalents as well as accounts receivable divided by current liabilities.

somewhat below its historical average of 0.96 since 2008. This indicates that NCR could pay most of its short-term obligations without needing to make any additional sales, but its ability to do this is somewhat reduced from prior years. NCR's interest coverage ratio[73] was 8.8 in the 6 months ended June 30, 2012, up from 5.0 in 2011. This means that in the first six months of 2012, NCR generated operating income equal to 8.8 times the amount necessary to make the interest payments on its debt, which indicates that there is little risk of NCR defaulting on its debt due to an inability to make its interest payments.[74]

To better understand NCR's financial position, I also reviewed certain financial ratios of some of NCR's competitors. Specifically, I analyzed Hewlett-Packard ("HP"), Fujitsu, International Business Machines ("IBM"), and Diebold Incorporated ("Diebold") from 2008 to 2011. These companies were identified as competitors in NCR's 2011 Form 10-K.[75] Over that period, NCR's current ratio and quick ratio were comparable to or better than those of HP, Fujitsu, and IBM. Additionally, NCR's ratio of interest-bearing debt to total assets was consistently comparable to or better than those of each of these competitors. Even assuming NCR takes on an additional $500 million of additional debt to pay down its deferred pension obligation, its ratio of interest-bearing debt to total assets would be comparable to those of HP, IBM, and Diebold. Additionally, NCR's interest coverage ratio is better than Diebold's. Based on the comparison of NCR's financial ratios to those of its competitors, NCR's level of debt appears reasonable and consistent with that of its competitors.[76] As such, NCR would be capable of taking on additional debt without developing significant default risk.

VI. Analysis of NCR's Ability to Pay All of the Anticipated Fox River Site Costs

A. General Description of Approach

I understand that the remaining remediation work related to the Fox River Site will take place between now and 2017. In assessing NCR's ability to pay the anticipated costs associated with the Fox River Site remediation work, I have considered NCR's current financial position, its borrowing capacity under its existing secured credit facility, its projected future cash flows, and

[73] Interest coverage ratio is operating earnings divided by interest expense, or overall net income plus interest and taxes divided by interest expense.
[74] Exhibit 2.
[75] NCR Corporation Form 10-K for the year ended December 31, 2011, p. 4.
[76] Exhibit 2.

its projected future cash flows' impact on NCR's financial position and borrowing capacity under its existing secured credit facility. I have reviewed NCR's current and historical balance sheet to understand NCR's current financial position. I have also reviewed the terms of NCR's existing secured credit facility to understand the restrictions on NCR's ability to borrow money under the revolving credit facility. Additionally, I have projected NCR's future income and cash flows based on guidance provided by NCR, analyst reports, and my analysis of NCR's historical financial performance. I then used these income and cash flow projections to determine NCR's projected future cash balances and NCR's borrowing capacity under the revolving credit facility based on its anticipated future levels of income and outstanding debt. In addition to the potential to borrow under its existing revolving credit facility, it is likely that NCR would be able to acquire funds from other lenders in the future; however, I have not included an analysis of this supplemental borrowing capacity in this report.

My approach of forecasting NCR's future cash flows and financial position is consistent with general business valuation methodology. In valuing a business, it is typical to forecast cash flows based on a review of the company's historical balance sheet and income statements, information provided by company management, and other information available regarding the company's future prospects. Additionally, in assessing a company's financial position or solvency, it is customary to review, analyze, and project its available cash and borrowing capacity to meet obligations. Furthermore, I believe that this approach generally is consistent with the overall approach included in the guidance provided by the EPA for assessing ability to pay in the context of settlement agreements. The EPA guidance indicates that an analysis of ability to pay should begin with a review of the balance sheet to estimate assets currently available to pay related costs as well as assess capacity for additional borrowing. The EPA guidance then indicates that the entity's future cash flows for a period of typically five years should be projected. The portion of these cash flows that is not essential to sustaining the entity's operations as well as all currently available assets that are not essential to the business' operations and all available borrowing capacity is considered the basis for the entity's ability to pay.[77]

[77] EPA Memorandum on General Policy on Superfund Ability to Pay Determinations (original date unknown).

B. NCR'S PROJECTED REVENUES AND EARNINGS

I observed that NCR provided guidance to the public regarding both earnings per share ("EPS") from continuing operations as well as EPS from continuing operations exclusive of pension expense and other expenses including acquisition, amortization, and impairment expenses.[78] Based on my review of analyst reports, I also observed that the analysts provided estimates of the same measurements of earnings. My calculation of NCR's cash flows that are available for paying costs related to the Fox River Site remediation is based on adjustments to NCR's GAAP income before expenses related to the Fox River Site. Therefore, I based my projection of NCR's 2012 and 2013 earnings on the EPS from continuing operations guidance provided by NCR and analyst projections of EPS from continuing operations. Projections of EPS from continuing operations reflect NCR's anticipated income from continuing operations divided by the number of diluted shares outstanding. Because NCR reports the expenses related to the Fox River Site in income from discontinued operations, the projections of EPS from continuing operations does not include any income impact related to the Fox River Site.

I reviewed NCR's 2012 earnings guidance and observed that NCR projected EPS from continuing operations of $1.45 to $1.52.[79] I also reviewed analyst estimates of EPS from continuing operations. For 2012, I identified three analyst reports from three sources that projected EPS from continuing operations for NCR: Standard & Poors ("S&P"), Keybanc Capital Markets ("Keybanc"), and Wedbush Securities ("Wedbush"). Of these three sources, Keybanc projected EPS from continuing operations with adjustments to remove the impacts of certain one-time charges, for which the amounts were not identified.[80] Because it was not possible to definitively reconcile the Keybanc projected EPS to EPS from continuing operations, I excluded that estimate from my determination of 2012 earnings from continuing operations. Of the remaining two analysts, S&P and Wedbush reported projected 2012 EPS from continuing operations as $1.52 and $1.54, respectively.[81] I have relied on the $1.52 projected by S&P, which is consistent with the high end of the range of NCR's guidance. I then multiplied the projected

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[78] http://www.ncr.com/newsroom/resources/q2-2012.
[79] http://www.ncr.com/newsroom/resources/q2-2012.
[80] "NCR Corporation: NCR: Final 1Q12 in Line; ATMs Sound, Core Retail, W. Europe Overall Soft", Keybanc Capital Markets, April 20, 2012.
[81] "NCR Corp Stock Report", Standard & Poors, August 11, 2012. "NCR: Pension Resolution Should Create Material Revaluation; Reiterate OUTPERFORM and Raising Target to $33 from $30", Wedbush Securities, July 31, 2012.

EPS by NCR's weighted average diluted shares outstanding at June 30, 2012 of 163.9 million[82] to arrive at projected 2012 income from continuing operations of $249 million. I believe this amount is a conservative estimate of NCR's 2012 earnings given the fact that NCR's actual EPS has exceeded market expectations in 11 of the last 12 quarters.[83]

To project income from continuing operations in 2013, I began by checking for guidance provided by NCR's management, which I was not able to identify. I then reviewed S&P's and Wedbush's projected EPS from continuing operations for 2013. I observed that S&P projected EPS from continuing operations of $1.91 while Wedbush projected $2.38.[84] I chose to conservatively rely on S&P's EPS from continuing operations projection of $1.91. I then multiplied this amount by the 163.9 million diluted shares outstanding at June 30, 2012[85] to calculate income from continuing operations of $313 million in 2013.

I believe my use of S&P's $1.91 estimate of 2013 EPS from continuing operations is conservative. The only analyst that indicated it had adjusted its prior projections to account for NCR's projected plan to address its underfunded pension obligations was Wedbush, which is also the analyst with the highest projected EPS from continuing operations in 2013.[86] As such, S&P may be understating NCR's projected 2013 EPS from continuing operations. It is worth noting that prior to its adjustment to account for NCR's announcement related to its pension obligations, Wedbush's projected EPS from continuing operations was slightly higher than S&P's.[87]

I did not identify any analyst reports that projected EPS from continuing operations beyond 2013. To project NCR's earnings beyond 2013, I reviewed analysts' projections of EPS from continuing operations excluding pension expense and other expenses including acquisition, amortization, and impairment expenses for 2014. I identified two sources that provided analysts' consensus projections for 2014: First Call Earnings and the Ned Davis Research Group. These two sources

[82] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 3.
[83] Thomson Reuters Company in Context Report on NCR Corporation, August 7, 2012.
[84] "NCR Corp Stock Report", Standard & Poors, August 11, 2012. "NCR: Pension Resolution Should Create Material Revaluation; Reiterate OUTPERFORM and Raising Target to $33 from $30", Wedbush Securities, July 31, 2012.
[85] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 3.
[86] "NCR: Pension Resolution Should Create Material Revaluation; Reiterate OUTPERFORM and Raising Target to $33 from $30", Wedbush Securities, July 31, 2012. I also reviewed the subsequent analyst report that Wedbush issued on August 14, 2012, and I noted that Wedbush's projections of 2012 and 2013 revenues and EPS from continuing operations were unchanged from its July 31, 2012 report.
[87] "NCR: Growth Continues In Spite of Currency and Economic Headwinds; Reiterate OUTPERFORM", Wedbush Securities, July 19, 2012.

projected earnings in 2014 using this metric of $2.75 and $2.82 compared to $2.67 and $2.68, respectively, which equates to projected growth of 3.0% and 5.2%.[88] The average of those two growth projections is 4.1%, but to be conservative I have used the low estimate of 3.0% growth to project NCR's growth in income from continuing operations for 2014 to 2017.

I also projected NCR's revenues for 2012 and beyond in a similar manner. I reviewed NCR's guidance, which indicated expected growth in revenues of 11% to 13%.[89] I also identified three analysts that projected NCR's revenues for 2012: Zacks Investment Research ("Zacks"), S&P, and Wedbush. These three sources projected 2012 revenues of $5,814 million, $5,797 million, and $5,794 million. Wedbush also indicated an analyst consensus revenue estimate for 2012 of $5,934 million.[90] I compared these amounts to the guidance issued by NCR and determined that the analyst consensus projection of revenues was most consistent with NCR's expectations. This amount represents growth of approximately 9.0%, which appears reasonable given NCR's average historical revenue growth of approximately 8.8% since 2009[91] and projected 2012 revenue growth of 11-13%. Additionally, NCR's revenues for the six months ended June 30, 2012 were approximately 13.9% greater than in the six months ended June 30, 2011,[92] which further suggests the 9.0% projected growth is reasonable and likely conservative. As such, I have used this $5,934 million as projected NCR revenues for 2012.

For 2013, I have again relied on the analyst consensus revenue projection of $6,305 million.[93] For years 2014 to 2017, I have assumed that NCR's revenues will grow at the same 3.0% growth rate I have assumed for NCR's income from continuing operations.

NCR's projected revenues and income from continuing operations based on these calculations is shown in Table 6 below.

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[88] Exhibit 3.
[89] http://www.ncr.com/newsroom/resources/q2-2012.
[90] Exhibit 3.
[91] See Table 5.
[92] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 3.
[93] Exhibit 3.

Table 6

NCR's Projected Revenues and Income

(in millions)

	2012	2013	2014	2015	2016	2017
Projected revenues	$ 5,934	$ 6,305	$ 6,494	$ 6,689	$ 6,889	$ 7,095
Projected GAAP income from continuing operations	$ 249	$ 313	$ 322	$ 332	$ 342	$ 352

Source: Exhibits 5 and 6.

C. NCR's Projected Cash and Available Borrowing Capacity Under the Revolving Credit Facility After Paying Fox River Site Remediation Costs

I have based my assessment of NCR's ability to pay the anticipated remediation costs on NCR's current financial position, its projected cash flows, and its projected future balances of cash and available borrowing capacity under the terms of the revolving credit facility. The determination of NCR's future cash balances is based primarily on NCR's projected cash flows from the normal operation of its business. To determine NCR's future cash flows available for paying anticipated remediation costs, I have projected NCR's free cash flows after debt service before consideration of the Fox River Site costs. This amount reflects the portion of NCR's income that remains after adjusting net income from continuing operations for non-cash expenses, capital expenditures, working capital increases, and payment of debt principal or cash inflows from new debt. Because free cash flows after debt service before consideration of the Fox River Site costs is calculated based on NCR's income from continuing operations, it does not include any impact of expenses related to the Fox River Site, which NCR records in income from discontinued operations.[94]

In addition to the projections of NCR's income from continuing operations discussed above, calculating free cash flows after debt service before consideration of the Fox River Site costs requires projections of future depreciation and amortization (the primary non-cash expense that impacts the calculation), capital expenditures, increases in working capital, and increases or decreases in debt levels. To project these amounts, I reviewed the relevant accounts in NCR's

[94] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 28.

historical financial statements for growth trends and relationships to overall levels of sales and assets. I also reviewed the analyst report from Wedbush, which was the only analyst report I identified that included projections of NCR's income statement and balance sheet for 2012 and 2013. In projecting depreciation and amortization ("D&A"), I observed that in 2009, 2010, and 2011, D&A as a percentage of sales had been relatively constant at 2.8%, 2.9%, and 3.1%, respectively. However, I noted that D&A as a percentage of sales was trending slightly upward in that period. For the six months ended June 30, 2012, NCR's D&A as a percentage of sales was 3.1%, consistent with the level in 2011.[95] Contrary to this trend, I noted that Wedbush projected a decline in D&A in 2012 to $155 million, or 2.7% of sales.[96] This decline in depreciation is likely related to the decrease in NCR's depreciable assets compared to prior years (NCR's PP&E balance in 2009, 2010, and 2011 was $356 million, $429 million, and $365 million, respectively, compared to a balance of $297 million at June 30, 2012). NCR's current level of PP&E is more comparable to its 2006, 2007, and 2008 balances of $314 million, $313 million, and $308 million, respectively, than to its levels from 2009 to 2011.[97] From 2006 to 2008, D&A as a percentage of sales averaged approximately 2.2%.[98] It appears that this lower rate of D&A as a percentage of sales is most appropriate for projecting future depreciation given the lower level of PP&E. As such, I have used the Wedbush D&A projections of $155 million and $147 million in 2012 and 2013,[99] respectively, and have assumed D&A equal to 2.2% of sales in subsequent years.

To project capital expenditures, I began by reviewing NCR's historical relationship between capital expenditures and depreciation. With the exception of 2009 and 2010, NCR's capital expenditures from 2006 to 2011 were similar to or less than its depreciation. NCR's capital expenditures were also less than its depreciation in the six months ended June 30, 2012. Additionally, I noted that NCR's capital expenditures as a percentage of sales in 2006 to 2008 (the time period when NCR's PP&E was most comparable to its current level) averaged 1.9%.[100] When I reviewed the Wedbush projections for 2012 and 2013, I observed that NCR's PP&E was

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[95] Exhibits 1.1 and 1.4.
[96] "NCR: Pension Resolution Should Create Material Revaluation; Reiterate OUTPERFORM and Raising Target to $33 from $30", Wedbush Securities, July 31, 2012.
[97] Exhibit 1.3.
[98] Exhibits 1.1 and 1.4.
[99] "NCR: Pension Resolution Should Create Material Revaluation; Reiterate OUTPERFORM and Raising Target to $33 from $30", Wedbush Securities, July 31, 2012.
[100] Exhibits 1.1 and 1.3.

projected to remain constant at $297 million,[101] which was the level at June 30, 2012. I also observed that from 2006 to 2011 and through the six months ended June 30, 2012, NCR was generally able to grow its revenues without the need for corresponding increases in property, plant, and equipment. For example, NCR's property plant and equipment remained relatively constant from 2006 to 2008 while revenues increased approximately 16%. Similarly, NCR's PP&E decreased from $429 million in 2010 to $297 million at June 30, 2012 while revenues have increased over the same period.[102] As such, I have assumed that, subsequent to June 30, 2012, NCR's capital expenditures would equal its depreciation (which would suggest a constant level of PP&E).

To project working capital needs, I began by reviewing NCR's historical levels of working capital. NCR's average working capital decreased significantly from $1,560 million in 2007 to $891 million in 2009. Since 2009, average working capital has been somewhat higher but relatively constant at $990 million, $1,006 million, and $959 million in 2010, 2011, and the first six months of 2012, respectively.[103]

It appears that NCR's working capital at June 30, 2012 may be sufficient to support its operations in the remainder of 2012. However, to be conservative, I have assumed that NCR's year-end working capital will grow at the same rate as the growth in revenues throughout the projection period. I believe this rate of growth in working capital is adequate to fund the growth in NCR's operations given the fact that NCR's average working capital from 2009 to 2011 grew at a CAGR of 6.3% while revenues grew at a CAGR of 8.8% and the fact that revenues are on pace to grow in 2012 while average working capital is on pace to decline somewhat or remain flat.[104] As a result, I have projected NCR's working capital to be $1,036 million at December 31, 2011, an increase of $69 million from its $967 million level at June 30, 2012.

To project NCR's cash flows related to the repayment of existing debt, I began by reviewing the terms of NCR's existing debt. At June 30, 2012, NCR had $740 million of outstanding interest-bearing debt, which I understand consists primarily of a $700 million term loan and a $700

[101] "NCR: Pension Resolution Should Create Material Revaluation; Reiterate OUTPERFORM and Raising Target to $33 from $30", Wedbush Securities, July 31, 2012.
[102] Exhibits 1.1 and 1.3.
[103] Exhibit 1.3.
[104] Exhibits 1.1 and 1.3.

million revolving credit facility.[105] I have assumed that NCR will continue its past practice of paying down the balance of the revolving credit facility so that the only outstanding debt at December 31, 2012 will be the $700 million term loan and the other $15 million of debt on NCR's books at June 30, 2012 unrelated to the secured credit facility. NCR's term loan requires principal payments of $17.5 million per quarter beginning March 31, 2013 with the remaining balance due in August 2016.[106] I have included these quarterly principal payments in my analysis. However, I have assumed NCR would refinance the secured credit facility under terms comparable to the existing secured credit facility. Consistent with this assumption, I have assumed NCR would continue to make quarterly payments of $17.5 million throughout the projection period in connection with this loan. NCR's other primary debt obligations are $5 million of notes payable maturing in 2020 and $3 million related to the unamortized portion of a capital lease.[107] I have not made any adjustments to my projections related to repayment of these items.

I have also projected cash flows related to NCR's stated plan to issue $500 million of additional debt to finance its plan to reduce its underfunded pension obligations. I have assumed that this plan would be financed by the additional $150 million term loan and $150 million revolving credit facility that was added to the secured credit facility through an amendment described in an NCR Form 8-K filing dated August 22, 2012.[108] To reach the $500 million amount, I have assumed that as NCR pays down the balance of the additional revolving credit facility, it will periodically draw funds from this facility to reach the full $500 million of announced anticipated borrowings.

I have also reviewed NCR's disclosures related to other environmental matters. NCR has recorded an accrual for an environmental matter in Japan, but the amount of the accrual and the timing of the eventual cash outflow are not disclosed.[109] NCR has also indicated that it is involved in litigation related to the Kalamazoo River, but NCR does not believe it has liability related to the Kalamazoo matters and has recorded an accrual only for anticipated litigation costs.

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[105] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 10.
[106] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 11.
[107] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 11.
[108] In addition to adding this $300 million to the credit facility, the amendment eliminated the requirement that NCR use excess cash flows to prepay outstanding loans. NCR Corporation Form 8-K filed August 22, 2012.
[109] NCR Corporation Form 10-K for the year ended December 31, 2011, p. 97.

NCR has not identified the amount of the Kalamazoo litigation accrual or the anticipated timing of the eventual related cash outflow.[110] As such, I have not made adjustments related to either of these matters in my projection of NCR's future cash flows.

In addition to environmental matters, NCR's income from discontinued operations currently includes impacts from the divestiture of its entertainment business in June 2012, the spin-off of Teradata in 2007, the divestiture of its healthcare solutions business in December 2011, and the closure of its Canadian EFT business in 2011. The healthcare solutions business and the Canadian EFT business have had no impact on income in the first six months of 2012. I am not aware of any evidence that the divested entertainment business will impact future cash flows. The ongoing income impacts of the Teradata divestiture relate to changes in uncertain tax benefits attributable to Teradata.[111] As such, I am not aware of any predictable impact any of these discontinued operations unrelated to the Fox River Site may have on NCR's ability to pay the anticipated remediation costs related to the Fox River Site.

I understand that the Fox River Site remediation costs would be deductible for NCR, and therefore I have calculated the after-tax impact of these costs to use in assessing NCR's ability to pay the remediation costs.[112]

After projecting each of these items impacting cash flow, I calculated NCR's expected free cash flows after debt service before consideration of the Fox River Site costs by starting with income from continuing operations and adding D&A and anticipated cash flows from new debt and subtracting capital expenditures, additional working capital needs, and repayment of debt. I then subtracted the after-tax cash flow impact of the anticipated Fox River Site remediation costs to calculate NCR's free cash flows after debt service and anticipated Fox River Site payments.

To project NCR's net income from continuing operations and depreciation for the second half of 2012, I subtracted the amounts as of June 30, 2012 from the projected full-year amounts described above. This results in net income from continuing operations of $144 million in the second half of 2012 compared to $105 million in the first half. The higher projected income from continuing operations in the second half of 2012 is consistent with NCR's historical trend of

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[110] NCR Corporation Form 10-K for the year ended December 31, 2011, pp. 86-87.
[111] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, pp. 28-29.
[112] Exhibit 8.

increased earnings in the latter portion of the year, as demonstrated in Exhibit 10. I have assumed that NCR would repay the remaining $25 million on the revolving credit facility in the second half of 2012.[113] Although NCR has amended its agreement related to the secured credit facility to allow it to borrow an additional $300 million in the second half of 2012 (apparently related to its plan to reduce its underfunded pension obligation), I have not included this cash inflow in my calculations because the funds are being acquired for a different purpose and will not be available for the payment of the Fox River Site remediation costs.

To calculate NCR's Fox River Site remediation costs in the second half of 2012, I subtracted NCR's costs incurred in the first half of 2012 from NCR's estimated total remediation costs for 2012 of $76 million.[114] In the first half of 2012, NCR's reserve related to the Fox River Site costs decreased from $160 million to $148 million, a difference of $12 million that NCR indicated was due to payments for clean-up activities.[115] NCR's reserve for the Fox River Site costs is reported net of tax effects and reflects NCR's share of Fox River Site costs based on the assumption that NCR pays 40% of the total costs and API or BAT pays the remaining 60%. As such, I divided the $12 million by 73% (100% minus NCR's estimated tax rate of 27%) to calculate NCR's pre-tax share of the total costs and divided this amount by NCR's 40% share to calculate the total before-tax cost of Fox River Site remediation activities in the first half of 2012. I then multiplied this amount by 73% to calculate the after-tax cost of NCR's Fox River Site remediation work in the first half of 2012. I subtracted the resulting $30 million from NCR's projected after-tax Fox River Site expenses for the full year 2012 to calculate a projected cash outflow of $25 million related to Fox River Site expenses in the second half of 2012.

The calculation of cash flows for the second half of 2012 and 2013 through 2017 is illustrated in Exhibit 4. NCR's cash balance at June 30, 2012 was $377 million, and in each period of the projection I have assumed that NCR's free cash flows after debt service and anticipated Fox River Site payments is retained by NCR as an increase to its cash balance.

In addition to calculating NCR's projected future cash balances after paying the anticipated Fox River Site remediation costs, I also estimated NCR's capacity to borrow additional funds under

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[113] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 10.
[114] Based on my understanding of the deposition testimony of Sue O'Connell, a 30(b)(6) witness for NCR.
[115] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 19.

the existing revolving credit facility. To estimate NCR's borrowing capacity under the revolving credit facility, I reviewed NCR's secured credit facility to understand the financial covenants NCR was required to meet under those loans. Under the terms of NCR's secured credit facility, NCR was required to keep its consolidated leverage ratio below specified levels and its interest coverage ratio above specified levels.[116] I have estimated NCR's available borrowing capacity under the revolving credit facility by calculating the available borrowing amount under this facility that NCR would have been able to support without violating those financial covenants.

To estimate NCR's borrowing capacity under the revolving credit agreement relative to each of these financial covenants, I first calculated NCR's projected anticipated quarterly debt levels through 2017 and the associated interest expense. In this projection, I have assumed that NCR's outstanding debt at the end of 2012 will equal the $700 million from the original secured credit facility term loan, $300 million from the $150 million term loan and $150 million revolving credit facility created by an August 2012 amendment to the secured credit facility,[117] and NCR's $15 million of additional debt on NCR's books at June 30, 2012.[118] As a simplifying assumption, I have assumed that this entire $15 million of debt unrelated to the secured credit facility will remain on NCR's books throughout the projection period and accrue interest at 10% per year.[119] For all other debt, I have assumed that the interest accrued will be at a rate comparable to the interest rate on the secured credit facility. In the fourth quarter of 2011 and the first two quarters of 2012, NCR's interest expense as a percentage of its average level of debt has ranged from 0.9% to 1.1%.[120] As such, I have projected NCR's future interest at a rate of 1% of average outstanding debt per quarter (4% per year).

To project NCR's future levels of debt, I assumed that the original secured credit facility term loan and the additional secured credit facility term loan would make the quarterly principal

[116] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 11. The consolidated leverage ratio and the interest coverage ratio are contractually defined terms; for the definition of these terms and the elements that go into calculating them, see NCR's credit agreement included as Exhibit 10.1 to NCR's Form 8-K filed with the SEC on August 26, 2011.
[117] In my analysis, I assume that this $300 million of additional debt relates to NCR's stated plan to use $500 million of credit market borrowings to finance its plan to reduce its underfunded pension obligation.
[118] NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 10.
[119] The $5 million of notes payable included in this amount has an interest rate of 9.49%, which I have rounded up to 10% and applied to the entire $15 million. NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 11.
[120] Exhibit 9.

payments specified in the secured credit facility and the second amendment thereto.[121] With regard to the original secured credit facility term loan, I have assumed that NCR would refinance this loan rather than pay the remaining principal in August 2016, and therefore I have assumed that the quarterly principal payments of $17.5 million on this loan would continue throughout the projection period. With regard to the additional revolving credit facility, I have assumed that NCR will draw the full $150 million in the third quarter of 2012 and make quarterly payments of $17.5 million on this facility. However, consistent with NCR's stated plan to use $500 million of credit market borrowings to reduce its underfunded pension obligations, I have assumed that NCR would periodically draw additional amounts totaling $200 million for this purpose from the additional revolving credit facility rather than making repayments.

I then calculated NCR's projected quarterly consolidated EBITDA consistent with the definition in the secured credit facility.[122] I began by projecting quarterly GAAP net income from continuing operations, which required allocating projected annual GAAP net income from continuing operations to each quarter in the respective year. To estimate the distribution of NCR's income across quarters, I reviewed NCR's historical quarterly EPS relative to full-year EPS. Based on this historical income distribution, I determined an appropriate distribution to apply to the projection period[123] and multiplied each year's projected GAAP net income from continuing operations by this distribution to allocate the income to the appropriate quarters.

After calculating quarterly net income from continuing operations, I adjusted for the impact of discontinued operations, which for my projection consists of the after-tax impact of the Fox River Site remediation costs to calculate NCR's net income.[124] I also adjusted for interest, depreciation, amortization, taxes, and the remaining elements specified by the secured credit agreement to arrive at projected quarterly consolidated EBITDA. I have assumed in my projection that depreciation and amortization expenses are distributed evenly throughout each year.

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[121] NCR Form 8-K filed August 26, 2011; NCR Form 8-K filed August 22, 2012.
[122] Consolidated EBITDA is a contractually defined term; for its definition, see NCR's credit agreement included as Exhibit 10.1 to NCR's Form 8-K filed with the SEC on August 26, 2011.
[123] Exhibit 10.
[124] In performing this calculation, I used a tax rate of 27%, which is consistent with the rate projected by Wedbush as well as with NCR's projected effective rate for 2012. "NCR: Pension Resolution Should Create Material Revaluation; Reiterate OUTPERFORM and Raising Target to $33 from $30", Wedbush Securities, July 31, 2012. http://seekingalpha.com/article/512571-ncr-s-ceo-discusses-q1-2012-results-earnings-call-transcript?part=single.

Using this information, I projected NCR's consolidated leverage ratio and interest coverage ratio on a quarterly basis through the fourth quarter of 2017. I then calculated NCR's borrowing capacity under the revolving credit agreement relative to its consolidated leverage ratio by determining the incremental quantity of available borrowing under the revolving credit agreement that NCR could have supported as of the end of each quarter without violating the consolidated leverage requirement. To assess NCR's borrowing capacity under the revolving credit agreement relative to the interest coverage ratio covenant, I calculated the amount of available borrowing capacity under the agreement at quarter-end that NCR could have supported during the course of the prior four quarters without violating the interest coverage ratio requirement. In projecting NCR's future borrowing capacity under the revolving credit facility, I used the lesser of the capacities indicated by the two financial covenant ratios at year-end.

Table 1 below shows projected NCR cash balances and borrowing capacity under the revolving credit facility for the second half of 2012 through 2017, after payment of all anticipated Fox River Site remediation costs. Based on these projections of NCR's future cash flows and borrowing capacity under the revolving credit facility, NCR clearly has capacity to pay the anticipated Fox River Site remediation costs.[125]

[125] I have tested this projection's sensitivity to both the projection of net income from continuing operations in 2013 through 2017 and interest rates on the secured credit facility over the same period. Even assuming net income from continuing operations in 2013 is 20% lower than projected (with each subsequent year decreasing by a similar percentage due to those years being projected based on growth from the prior year) and interest rates doubling to 2% per quarter beginning in 2013, NCR's projected year-end cash balances are consistently in excess of the $377 million at June 30, 2012 and its combined cash and available borrowing capacity under the revolving credit agreement is consistently in excess of $900 million. This indicates that even assuming these scenarios that are significantly less favorable for NCR than projected, NCR would still have significant ability to pay the anticipated Fox River Site remediation costs.

Table 1

NCR's Projected Cash and Additional Borrowing Capacity Under the Revolving Credit Facility
Excluding Impact of Indemnification Agreements
(in millions)

	2012	2013	2014	2015	2016	2017
NCR's estimates of total Fox River Site costs	$ 76	$ 93	$ 93	$ 64	$ 64	$ 64

NCR's Projected Cash Flows	2H 2012	2013	2014	2015	2016	2017
Free Cash Flow after debt service before Fox River Site costs	$ 50	$ 108	$ 151	$ 143	$ 169	$ 53
Anticipated Fox River Site costs (after tax) [1]	25	68	68	47	47	47
Free Cash Flow after debt service and anticipated Fox River Site costs	$ 25	$ 40	$ 83	$ 96	$ 122	$ 6

Projected available cash and additional borrowing capacity under the terms of NCR's revolving credit agreement	2H 2012	2013	2014	2015	2016	2017
Prior period-end cash balance	$ 377	$ 402	$ 442	$ 525	$ 621	$ 743
Free Cash Flow after debt service and anticipated Fox River Site costs	25	40	83	96	122	6
Year-end Cash Balance [2]	$ 402	$ 442	$ 525	$ 621	$ 743	$ 749
Additional borrowing capacity under the terms of NCR's revolving credit agreement	700	700	700	700	700	700
Available cash and existing borrowing capacity under the original revolving credit agreement after Fox River Site costs	$ 1,102	$ 1,142	$1,225	$1,321	$1,443	$1,449

Source: Exhibits 8 and 4.

Notes:
[1] After adjusting total costs for amounts paid in the first half of 2012 and tax impacts.
[2] Excludes any increase in cash necessary to support additional working capital growth.

VII. NCR'S PROJECTED ABILITY TO PAY FUTURE FOX RIVER REMEDIATION COSTS CONSIDERING FUTURE INDEMNIFICATION AND INSURANCE COLLECTIONS

A. NCR'S INDEMNIFICATION AGREEMENTS WITH VARIOUS PARTIES

I understand that NCR has indemnification agreements or similar agreements with several parties, including API, BAT, AT&T and Lucent.[126] Under these agreements, the parties involved agree to

[126] In this section, I am describing my understanding of various relevant indemnification agreements based on my review of statements made in SEC filings and legal filings in this matter and related matters. I have reviewed certain of these agreements, but I am not offering any legal conclusions or opinions with regard to any party's obligations under such agreements or whether defenses to claims made under these indemnification agreements exist and are valid.

pay a portion of the costs related to remediation of the Fox River Site or to reimburse NCR for a portion of the costs it incurs, in some cases above a certain threshold. These indemnification agreements significantly reduce the net costs NCR may likely incur related to the Fox River Site.

NCR has an indemnification agreement with API and BAT that resulted from a confidential settlement agreement that the parties entered into in 1998. Under that agreement, NCR agreed to pay 45% of the initial $75 million of Fox River Site remediation costs with API and BAT being responsible for paying the remaining 55%. In a 2005 arbitration, it was determined that costs over the initial $75 million would be allocated 40% to NCR and 60% to API and BAT.[127] NCR and API formed the Lower Fox River Remediation LLC to facilitate the Fox River Site cleanup process,[128] and, up until April 2012,[129] NCR and API have shared in excess of $350 million of costs related to the Fox River Site in accordance with the 1998 confidential settlement agreement (which is less than their combined insurance recoveries).[130]

Although API and NCR historically have shared the costs for the Fox River Site remediation, API has been indemnified for the majority of its share of the costs through an agreement with AWA. Under that agreement, AWA indemnifies API for Fox River Site liabilities up to $75 million and in excess of $100 million. To date, AWA has paid $260 million on behalf of or to API in connection with the Fox River Site.[131] Additionally, BAT indemnifies NCR under the arbitration awards to pay the 60% share. British American Tobacco p.l.c. noted this obligation in its 2010 annual report, stating:

> Under the terms of the arbitration awards, [BAT] and Appleton/the AWA Entities have an obligation to share the costs of environmental claims with NCR (60:40), but [BAT] has never been required to pay any sums in this regard because Appleton and the AWA Entities have paid the non NCR (60 per cent) share of the clean up costs to date, and the authorities have not identified [BAT] or BATUS as PRPs. However, there is a risk for [BAT] that Appleton and the AWA Entities will exhaust the recoverable insurance policies prior to the completion of the mandated clean up work and that Appleton and the

[127] Dkt 472, p. 3.
[128] Dkt 468, p. 7; NCR Corporation Form 10-K for the year ended December 31, 2011, p. 82.
[129] Dkt 487, pp. 1-2.
[130] Dkt 468, pp. 6-7; AWA's insurance has paid $250 million, and API has recorded a receivable for $8.9 million for settlements received in excess of the amounts reimbursable to AWA; Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 12. NCR has collected approximately $162 million as of June 30, 2012 in connection with insurance settlements related to the Fox River sites and other matters; NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 19.
[131] All of the $260 million paid by AWA has, in turn, been covered by insurance recoveries. Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 12.

> AWA Entities will not have sufficient assets of their own to pay the clean up obligations, leaving [BAT] with the responsibility to pay the non NCR share of the remaining clean up costs.[132]

In addition to its indemnification agreement with API and BAT, NCR has an indemnification agreement with AT&T and Lucent. In 1991, NCR merged with a wholly owned subsidiary of AT&T, and in 1996 AT&T divested NCR through a distribution of NCR stock to AT&T's shareholders.[133] Under the agreement with AT&T and Lucent, NCR's costs related to the Fox River Site remediation after the first $100 million are to be divided among the parties with NCR paying 50%, AT&T paying 37%, and Lucent paying 13%.[134] The $100 million threshold is based on NCR's costs net of insurance collections and tax impacts.[135] NCR does not expect to reach this threshold before late 2012 or 2013.[136] NCR has recorded a long-term asset of approximately $79 million related to the AT&T and Lucent indemnification agreement because "payment is considered probable and is supported by contractual agreements."[137]

B. NCR's Insurance for Fox River Expenses

As of June 30, 2012, NCR had collected approximately $162 million from insurance settlements related to the Fox River Site remediation costs as well as some other environmental matters.[138] Additionally, a judgment was entered against another insurance company in the amount of $5 million related to the Fox River Site, although an appeal of that judgment is pending.[139]

With regard to future expenses, it is unclear whether NCR has additional insurance coverage related to the Fox River Site remediation costs, and if so, the amount of available coverage remaining under any such policies. In NCR's 2009 and 2010 10-K filings, NCR indicated its expected remediation payments for the subsequent year and that it expected those payments to be partially offset by insurance recoveries.[140] However, in NCR's 2011 10-K filing, NCR indicated its expected remediation payments for 2012 but did not state any expectation related to offsets

132 British American Tobacco 2010 Annual Report, p. 180.
133 NCR Corporation Form 10-K for the period ended December 31, 2011, p. 1.
134 Lucent Technologies Inc. 10-12b filed February 26, 1996, pp. 66-69.
135 NCR Corporation Form 10-K for the period ended December 31, 2011, p. 86.
136 NCR Corporation Form 10-K for the period ended December 31, 2011, p. 86.
137 NCR Corporation Form 10-K for the period ended December 31, 2011, pp. 86-87.
138 NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 19. This amount includes recovery for certain legal costs incurred.
139 NCR Corporation Form 10-Q for the quarter ended June 30, 2012, p. 19.
140 NCR Corporation Form 10-K for the period ended December 31, 2009, p. 29. NCR Corporation Form 10-K for the period ended December 31, 2010, p. 30.

from additional insurance recoveries.[141] Additionally, NCR indicated that as of December 31, 2011, it had reached settlements with all but one of the insurance companies against which it had advanced claims with respect to the Fox River Site.[142] I reserve the right to update my analysis to the extent that I am provided with documents and/or information related to NCR's insurance coverage for future expenses incurred related to the Fox River Site remediation activities.

C. NCR's Projected Cash and Available Borrowing Capacity Under the Revolving Credit Facility After Paying Fox River Site Remediation Costs Considering Future Indemnification by AT&T and Lucent and Insurance Recoveries

In assessing NCR's ability to pay the anticipated Fox River Site remediation costs considering indemnification by AT&T and Lucent, my calculation of NCR's free cash flows after debt service before consideration of the Fox River Site costs is the same as in my analysis of NCR's ability to pay the full amount of the remediation costs. The only aspect of my analysis that changes is that the remediation costs are adjusted downward to reflect only NCR's projected share of the anticipated remediation costs giving consideration to its indemnification agreement with AT&T and Lucent.

Under its agreement with AT&T and Lucent, AT&T is responsible for 37% and Lucent is responsible for 13% of NCR's Fox River Site remediation costs after the first $100 million, net of insurance recoveries and tax impacts.[143] In connection with this agreement, NCR has recorded an asset because the indemnification "payment is considered probable and is supported by contractual agreements."[144] I have calculated NCR's projected cash and available borrowing capacity under the revolving credit facility after paying Fox River Site remediation costs assuming a scenario in which NCR is indemnified by only AT&T and Lucent.

NCR indicated in its 2011 10-K filing that it did not expect to reach the $100 million threshold specified in its agreement with AT&T and Lucent before late 2012 or 2013.[145] Based on this, I

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[141] NCR Corporation Form 10-K for the period ended December 31, 2011, p. 33.
[142] NCR Corporation Form 10-K for the period ended December 31, 2011, p. 86.
[143] Lucent Technologies Inc. 10-12b filed February 26, 1996, pp. 66-69.
[144] NCR Corporation Form 10-K for the period ended December 31, 2011, pp. 86-87.
[145] NCR Corporation Form 10-K for the period ended December 31, 2011, p. 86. Under this scenario, which does not consider the potential impact of the API/BAT indemnification agreement, it would appear that this threshold would actually be met sooner; however, to be conservative, I have assumed that AT&T and Lucent will not begin making indemnification payments related to Fox River Site costs until 2014.

conservatively have assumed that NCR would not reach this threshold until 2014, at which time NCR's portion of the anticipated Fox River Site remediation costs is reduced by 50%. Exhibit 12 shows the calculation of NCR's projected portion of the anticipated Fox River Site remediation costs including the impact of the AT&T and Lucent indemnities.

I have used the same methodology discussed in the prior section to assess NCR's ability to pay the Fox River Site remediation costs, giving consideration to indemnification agreements described above, with the only difference being the reduction in the expenses related to the Fox River Site. Table 2 below shows NCR's projected year-end cash balances and estimated borrowing capacity under the revolving credit facility after paying the Fox River Site remediation costs, giving consideration to NCR's indemnification agreement with AT&T and Lucent.

Table 2

NCR's Projected Cash and Additional Borrowing Capacity Under the Revolving Credit Facility
Including Impact of AT&T and Lucent Indemnification Agreements
(in millions)

	2012	2013	2014	2015	2016	2017
NCR's estimates of total Fox River Site costs	$ 76	$ 93	$ 93	$ 64	$ 64	$ 64
NCR's Projected Cash Flows						
	2H 2012	**2013**	**2014**	**2015**	**2016**	**2017**
Free Cash Flow after debt service before Fox River Site costs	$ 50	$ 108	$ 151	$ 143	$ 169	$ 53
Anticipated Fox River Site costs (after tax) [1]	25	68	34	23	23	23
Free Cash Flow after debt service and anticipated Fox River Site costs	$ 25	$ 40	$ 117	$ 120	$ 146	$ 30
Projected available cash and additional borrowing capacity under the terms of NCR's revolving credit agreement						
	2H 2012	**2013**	**2014**	**2015**	**2016**	**2017**
Prior period-end cash balance	$ 377	$ 402	$ 442	$ 559	$ 679	$ 825
Free Cash Flow after debt service and anticipated Fox River Site costs	25	40	117	120	146	30
Year-end Cash Balance [2]	$ 402	$ 442	$ 559	$ 679	$ 825	$ 855
Additional borrowing capacity under the terms of NCR's revolving credit agreement	700	700	700	700	700	700
Available cash and existing borrowing capacity under the original revolving credit agreement after Fox River Site costs	$ 1,102	$ 1,142	$1,259	$1,379	$1,525	$1,555

Source: Exhibits 8 and 11.

Notes:
[1] After adjusting total costs for the impact of AT&T and Lucent indemnification, amounts paid in the first half of 2012, and tax impacts.
[2] Excludes any increase in cash necessary to support additional working capital growth.

Given the significant remaining projected cash balances and borrowing capacity under the revolving credit facility, it is evident that NCR would be capable of paying the Fox River Site remediation expenses considering the AT&T and Lucent indemnification agreement.

D. NCR's Projected Cash and Available Borrowing Capacity Under the Revolving Credit Facility After Paying Fox River Site Remediation Costs Considering Future Indemnification from AT&T, Lucent, and API or BAT and Insurance Recoveries

In addition to assessing NCR's ability to pay the anticipated Fox River Site remediation costs assuming no indemnification and assuming only AT&T and Lucent indemnify NCR, I have also

assessed NCR's ability to pay assuming it is indemnified by AT&T, Lucent, and API or BAT. Based on NCR's indemnification agreement with API and BAT, in this analysis I have assumed that at all times API or BAT will be paying 60% of the anticipated remediation costs. Consistent with the analysis discussed in the prior section, I have assumed that AT&T and Lucent would not begin making indemnification payments until after 2013, at which time NCR's portion of the anticipated Fox River Site remediation costs is reduced by an additional 50%. Exhibit 15 shows the calculation of NCR's projected portion of the anticipated Fox River Site remediation costs under this set of assumptions.

I have again used the same methodology discussed in the prior sections to assess NCR's ability to pay the Fox River Site remediation costs, after giving consideration to indemnification agreements described above, with the only difference being the reduction in the expenses related to the Fox River Site. Table 3 below shows NCR's projected year-end cash balances and estimated borrowing capacity under the revolving credit facility after paying the Fox River Site remediation costs, assuming NCR is indemnified by AT&T, Lucent, and API or BAT.

Table 3

NCR's Projected Cash and Additional Borrowing Capacity Under the Revolving Credit Facility

Including Impact of AT&T, Lucent, and API/BAT Indemnification Agreements

(in millions)

	2012	2013	2014	2015	2016	2017
NCR's estimates of total Fox River Site costs	$ 76	$ 93	$ 93	$ 64	$ 64	$ 64
NCR's Projected Cash Flows						
	2H 2012	**2013**	**2014**	**2015**	**2016**	**2017**
Free Cash Flow after debt service before Fox River Site costs	$ 50	$ 108	$ 151	$ 143	$ 169	$ 53
Anticipated Fox River Site costs (after tax) [1]	(8)	27	14	9	9	9
Free Cash Flow after debt service and anticipated Fox River Site costs	$ 58	$ 81	$ 137	$ 134	$ 160	$ 44
Projected available cash and additional borrowing capacity under the terms of NCR's revolving credit agreement						
	2H 2012	**2013**	**2014**	**2015**	**2016**	**2017**
Prior period-end cash balance	$ 377	$ 435	$ 516	$ 653	$ 787	$ 947
Free Cash Flow after debt service and anticipated Fox River Site costs	58	81	137	134	160	44
Year-end Cash Balance [2]	$ 435	$ 516	$ 653	$ 787	$ 947	$ 991
Additional borrowing capacity under the terms of NCR's revolving credit agreement	700	700	700	700	700	700
Available cash and existing borrowing capacity under the original revolving credit agreement after Fox River Site costs	$ 1,135	$ 1,216	$ 1,353	$ 1,487	$ 1,647	$ 1,691

Source: Exhibits 8 and 14.

Notes:
[1] After adjusting total costs for the impact of AT&T, Lucent, and API/BAT indemnification, amounts paid in the first half of 2012, and tax impacts.
[2] Excludes any increase in cash necessary to support additional working capital growth.

Again, given the significant remaining projected cash balances and borrowing capacity under the revolving credit facility, it is evident that NCR would be capable of paying the Fox River Site remediation expenses considering the AT&T, Lucent, and API/BAT indemnification agreements.

VIII. Historical Insurance and Indemnification Collections and Current Financial Position of NCR's Indemnitors

A. API

It is my understanding that API is indemnified by AWA for the first $75 million of remediation costs related to the Fox River Site and costs over $100 million.[146] As of December 31, 2011, AWA has paid $260.3 million on behalf of or to API in connection with Fox River Site liabilities. At December 31, 2011, API's total indemnification receivable from AWA was $46.0 million.[147] In connection with the indemnification agreements, AWA purchased and fully paid for indemnity claim insurance. The insurance policy provides up to $250 million of coverage for Fox River Site liabilities, subject to certain limitations.[148] As of December 31, 2011, the policy had no remaining balance, meaning that the insurer has paid the $250 million in limits.[149]

Under the terms of its indemnification agreement, API's recoveries from other insurance are also reimbursed to AWA to the extent of its indemnification obligation. During 2010, API recorded an $8.9 million receivable, representing insurance settlements to be received ***in excess of*** amounts reimbursable to AWA. During 2011, API received $6.2 million of these funds.[150]

API's 2011 revenues totaled $857 million with net income of -$2.1 million.[151] At December 31, 2011, API had $7.2 million of cash and total assets of $641.9 million.[152] API's share of the projected gross total average annual Fox River Site remediation costs for 2012 through 2017 represents approximately 5.3% of API's 2011 revenue. During 2011, API generated $91.4 million in cash from operating activities.[153]

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[146] Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 12. My understanding of this arrangement is that AWA (or Windward Prospects Ltd, as the relevant entity is now known) agreed to indemnify Paperweight Development Corp. (API's parent company) and Paperweight Development Corp. agreed to indemnify API. I have not separately reviewed the financial condition of either Paperweight Development Corp. or Windward Prospects Ltd.
[147] Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 90.
[148] Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 90.
[149] Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 90.
[150] Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 91.
[151] Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 53.
[152] Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 51.
[153] Paperweight Development Corp. Form 10-K for the year ended December 31, 2011, p. 55.

B. BAT

It is my understanding that NCR is also indemnified by BAT. BAT's parent company, British American Tobacco p.l.c., reports its operations on a consolidated basis and does not separately present BAT's financial performance. British American Tobacco p.l.c.'s 2011 revenues totaled approximately £15.4 billion with net income of £3.1 billion.[154] At December 31, 2011, British American Tobacco p.l.c. had cash of £2.2 billion and total assets of £27.1 billion.[155] Based on an exchange rate of .632 British pounds to one US dollar at August 31, 2012,[156] API's share of the projected gross total average annual Fox River Site cleanup costs for 2012 through 2017 (i.e. 60% of total costs) represents approximately 0.2% of British American Tobacco p.l.c.'s 2011 revenues and 0.9% of 2011 net income. Additionally, during 2011 British American Tobacco p.l.c. generated cash from operations of £5 billion,[157] or approximately $8.2 billion.

C. AT&T

AT&T's 2011 revenues totaled approximately $126.7 billion with net income of $3.9 billion.[158] At December 31, 2011, AT&T had cash of $3.2 billion and total assets of $270 billion.[159] AT&T's share of the projected gross total average annual Fox River Site remediation costs for 2012 through 2017 (i.e. 37% of total costs) represents approximately .02% of AT&T's 2011 revenue and 0.7% of AT&T's 2011 net income. Additionally, during 2011 AT&T generated cash from operations of $34.6 billion.[160]

D. ALCATEL-LUCENT

Lucent is currently a wholly owned subsidiary of Alcatel-Lucent, which reports its operations on a consolidated basis without separately presenting Lucent's financial performance. Alcatel-Lucent's revenues totaled approximately $19.9 billion with net income of $1.4 billion.[161] At

154 British American Tobacco p.l.c. annual report for 2011, p. 110.
155 British American Tobacco p.l.c. annual report for 2011, p. 113.
156 www.oanda.com.
157 British American Tobacco p.l.c. annual report for 2011, p. 37. Calculated under International Financial Reporting Standards (IFRS).
158 AT&T annual report for 2011, Management's Discussion and Analysis of Financial Condition and Results of Operations, p. 34.
159 AT&T annual report for 2011, Management's Discussion and Analysis of Financial Condition and Results of Operations, p. 35.
160 AT&T annual report for 2011, Management's Discussion and Analysis of Financial Condition and Results of Operations, p. 36.
161 Alcatel-Lucent annual report for 2011, p. 177.

December 31, 2011, Alcatel-Lucent had cash of $4.6 billion and total assets of $31.4 billion.[162] Alcatel-Lucent's share of the projected gross total average annual Fox River Site remediation costs for 2012 through 2017 (i.e. 13% of total costs) represents approximately 0.05% of Alcatel-Lucent's 2011 revenues and 0.7% of Alcatel-Lucent's 2011 net income.

IX. SUMMARY OF OPINIONS

I have analyzed NCR's future projected cash flow from its business operations, as well as NCR's current and projected available cash and borrowing capacity, to determine whether NCR is capable of paying the entirety of the anticipated costs for Fox River Site remediation activities. During the anticipated period for the remaining remediation activities, NCR is projected to generate cash flows well in excess of the annual Fox River Site remediation costs and will also consistently have significant additional cash and available borrowing capacity under the terms of its revolving credit facility after the payment of the entirety of the anticipated Fox River Site remediation costs.

[162] Alcatel-Lucent annual report for 2011, p. 179.

Table 1

NCR's Projected Cash and Additional Borrowing Capacity Under the Revolving Credit Facility
Excluding Impact of Indemnification Agreements
(in millions)

	2012	2013	2014	2015	2016	2017
NCR's estimates of total Fox River Site costs	$ 76	$ 93	$ 93	$ 64	$ 64	$ 64
NCR's Projected Cash Flows						
	2H 2012	2013	2014	2015	2016	2017
Free Cash Flow after debt service before Fox River Site costs	$ 50	$ 108	$ 151	$ 143	$ 169	$ 53
Anticipated Fox River Site costs (after tax) [1]	25	68	68	47	47	47
Free Cash Flow after debt service and anticipated Fox River Site costs	$ 25	$ 40	$ 83	$ 96	$ 122	$ 6
Projected available cash and additional borrowing capacity under the terms of NCR's revolving credit agreement						
	2H 2012	2013	2014	2015	2016	2017
Prior period-end cash balance	$ 377	$ 402	$ 442	$ 525	$ 621	$ 743
Free Cash Flow after debt service and anticipated Fox River Site costs	25	40	83	96	122	6
Year-end Cash Balance [2]	$ 402	$ 442	$ 525	$ 621	$ 743	$ 749
Additional borrowing capacity under the terms of NCR's revolving credit agreement	700	700	700	700	700	700
Available cash and existing borrowing capacity under the original revolving credit agreement after Fox River Site costs	$ 1,102	$ 1,142	$ 1,225	$ 1,321	$ 1,443	$ 1,449

Source: Exhibits 8 and 4.

Notes:
[1] After adjusting total costs for amounts paid in the first half of 2012 and tax impacts.
[2] Excludes any increase in cash necessary to support additional working capital growth.

Additionally, I understand that NCR has indemnification agreements with AT&T and Lucent. After giving consideration to these indemnification agreements, NCR is projected to generate cash flows well in excess of the annual Fox River Site remediation costs and will also consistently have significant additional cash and available borrowing capacity under the terms of its revolving credit facility after the payment of the entirety of the anticipated Fox River Site remediation costs.

Table 2

NCR's Projected Cash and Additional Borrowing Capacity Under the Revolving Credit Facility
Including Impact of AT&T and Lucent Indemnification Agreements
(in millions)

	2012	2013	2014	2015	2016	2017
NCR's estimates of total Fox River Site costs	$ 76	$ 93	$ 93	$ 64	$ 64	$ 64

NCR's Projected Cash Flows

	2H 2012	2013	2014	2015	2016	2017
Free Cash Flow after debt service before Fox River Site costs	$ 50	$ 108	$ 151	$ 143	$ 169	$ 53
Anticipated Fox River Site costs (after tax) [1]	25	68	34	23	23	23
Free Cash Flow after debt service and anticipated Fox River Site costs	$ 25	$ 40	$ 117	$ 120	$ 146	$ 30

Projected available cash and additional borrowing capacity under the terms of NCR's revolving credit agreement

	2H 2012	2013	2014	2015	2016	2017
Prior period-end cash balance	$ 377	$ 402	$ 442	$ 559	$ 679	$ 825
Free Cash Flow after debt service and anticipated Fox River Site costs	25	40	117	120	146	30
Year-end Cash Balance [2]	$ 402	$ 442	$ 559	$ 679	$ 825	$ 855
Additional borrowing capacity under the terms of NCR's revolving credit agreement	700	700	700	700	700	700
Available cash and existing borrowing capacity under the original revolving credit agreement after Fox River Site costs	$ 1,102	$ 1,142	$ 1,259	$ 1,379	$ 1,525	$ 1,555

Source: Exhibits 8 and 11.

Notes:
[1] After adjusting total costs for the impact of AT&T and Lucent indemnification, amounts paid in the first half of 2012, and tax impacts.
[2] Excludes any increase in cash necessary to support additional working capital growth.

In addition to the agreements with AT&T and Lucent, I understand that NCR has indemnification agreements with API and BAT. After giving consideration to all of these indemnification agreements, NCR is projected to generate cash flows well in excess of the annual Fox River Site remediation costs and will also consistently have significant additional cash and available borrowing capacity under the terms of its revolving credit facility after the payment of the entirety of the anticipated Fox River Site remediation costs.

Table 3

NCR's Projected Cash and Additional Borrowing Capacity Under the Revolving Credit Facility

Including Impact of AT&T, Lucent, and API/BAT Indemnification Agreements

(in millions)

	2012	2013	2014	2015	2016	2017
NCR's estimates of total Fox River Site costs	$ 76	$ 93	$ 93	$ 64	$ 64	$ 64
NCR's Projected Cash Flows						
	2H 2012	**2013**	**2014**	**2015**	**2016**	**2017**
Free Cash Flow after debt service before Fox River Site costs	$ 50	$ 108	$ 151	$ 143	$ 169	$ 53
Anticipated Fox River Site costs (after tax) [1]	(8)	27	14	9	9	9
Free Cash Flow after debt service and anticipated Fox River Site costs	$ 58	$ 81	$ 137	$ 134	$ 160	$ 44
Projected available cash and additional borrowing capacity under the terms of NCR's revolving credit agreement						
	2H 2012	**2013**	**2014**	**2015**	**2016**	**2017**
Prior period-end cash balance	$ 377	$ 435	$ 516	$ 653	$ 787	$ 947
Free Cash Flow after debt service and anticipated Fox River Site costs	58	81	137	134	160	44
Year-end Cash Balance [2]	$ 435	$ 516	$ 653	$ 787	$ 947	$ 991
Additional borrowing capacity under the terms of NCR's revolving credit agreement	700	700	700	700	700	700
Available cash and existing borrowing capacity under the original revolving credit agreement after Fox River Site costs	$ 1,135	$ 1,216	$1,353	$1,487	$1,647	$1,691

Source: Exhibits 8 and 14.

Notes:

[1] After adjusting total costs for the impact of AT&T, Lucent, and API/BAT indemnification, amounts paid in the first half of 2012, and tax impacts.

[2] Excludes any increase in cash necessary to support additional working capital growth.

I have also reviewed the financial position and historical financial performance of NCR's indemnitors and determined that, for each party other than API,[163] those parties' shares of the anticipated Fox River Site remediation costs represent an immaterial amount to each company's overall financial position and results. This is true for AT&T, Alcatel-Lucent,[164] and British

[163] For API, I have determined that API does have significant financial resources, however its share of the Fox River Site costs under the indemnification agreement is material to their financial position and results.

[164] Alcatel-Lucent is the parent company to Lucent Technologies Inc., which is the party to the indemnification agreement with AT&T and NCR.

American Tobacco p.l.c.,[165] each of which has indemnified NCR or has a subsidiary which has indemnified NCR for Fox River Site remediation costs.

Based on my analysis, NCR is projected to have significantly more than enough cash and borrowing capacity under the revolving credit facility to pay the entirety of the anticipated Fox River Site remediation costs. Additionally, I have concluded that NCR projects to have significantly more than enough cash and available borrowing capacity under the revolving credit facility to pay, with its indemnitors, the anticipated Fox River Site remediation costs.

Gary Kleinrichert, CPA/ABV/CFF, CVA

FTI Consulting, Inc.
227 W. Monroe
Suite 900
Chicago, Illinois 60606

[165] British American Tobacco p.l.c. is the parent company of B.A.T. Industries p.l.c., which is the party to the indemnification agreement with API and NCR.

Appendix A

Gary G. Kleinrichert, CPA/ABV/CFF, CVA

Senior Managing Director — Forensic and Litigation Consulting

gary.kleinrichert@fticonsulting.com

FTI Consulting

227 West Monroe

Suite 900

Chicago, IL 60606

Tel: (312) 252-9316

Education

B.A., Accounting & Computer Science, St. Joseph's College

Certifications

Certified Public Accountant

Accredited in Business Valuation (ABV) by the AICPA

Certified in Financial Forensics (CFF) by the AICPA

Certified Valuation Analyst (CVA) by the NACVA

Professional Affiliations

American Institute of Certified Public Accountants

AICPA Fraud Task Force

Indiana CPA Society

Illinois CPA Society

Association of Certified Fraud Examiners

National Association of Certified Valuation Analysts

American Society of Appraisers (CM)

Better Government Association, Board of Directors

Stanley K. Lacy Executive Leadership Series, Class XXIII

Gary Kleinrichert is a senior managing director in the FTI Consulting Forensic & Litigation Consulting practice where he provides valuation and damages assessments in complex commercial disputes, as well as forensic and accounting investigations. Mr. Kleinrichert has provided expert testimony on over 50 occasions at trial, arbitration and deposition. Mr. Kleinrichert has testified throughout the United States, has appeared in federal and state courts (bench and jury) and has served the court as a Special Master.

Mr. Kleinrichert has testified on financial and accounting matters, matters related to forensic accounting investigations, allegations of fraudulent accounting and financial reporting, valuations of businesses and intellectual properties, and a wide variety of economic damages issues. He is also one of the 12 members of the AICPA National Fraud Task Force and is on FTI's National Forensic & Litigation Leadership Team.

Professional Experience

Litigation Advisory Experience

- Testified at trial (federal and state, bench and jury), arbitration and deposition. Served as a Special Master.
- Led numerous sophisticated damages studies involving business valuations, lost profits, lost sales, incremental profits, solvency analysis reasonable royalties, fixed and variable costs, product line profitability, unjust enrichment, costs incurred and prejudgment interest. Many cases have involved organization and review of large document productions and coordination with other experts and large legal teams.
- Damages cases have involved many types of business disputes, including large breach of contract matters, mass torts and class actions, trade secrets, copyright, fraud, product liability matters, bad faith claims, alter ego and other types of business disputes. Post-acquisition business disputes have included earn-out claims, misrepresentations of representations and warranties, and working capital matters. In addition, has conducted preference and fraudulent conveyance analyses.
- Led and supervised numerous engagements related to creation and reconstruction of accounting and financial records for purposes of performing financial and forensic analyses. Led numerous engagements involving disputes related to the appropriate application of generally accepted accounting principles, generally accepted auditing standards; conducted numerous fraud and forensic investigations.
- Led numerous engagements involving disputes related to the appropriate application of generally accepted accounting principles, generally accepted auditing standards and he has conducted numerous fraud and forensic investigations. In this regard, was the leader of the forensic accounting aspect of the team engaged by counsel representing the special committee investigating high profile $1 billion restatement (investigative findings and independent report was accepted in entirely by SEC and other federal regulators).

Testimony Experience

- *Snowstorm Acquisition Corporation* v. Tecumseh Products Company, AlixPartners, LLP, AP Services, LLC and James Bonsall; Deposition Testimony.
- *Bank of America, N.A., successor to LaSalle Bank, N.A.* v. Pethinaidu Veluchamy and Parameswari Veluchamy; Affidavits and Deposition Testimony.
- *Meridian Rail Products Corp*. v. Town of Cicero, Illinois; Deposition Testimony.
- Casey Williams Hyland, Graham Pullen, Christopher R. Burnette and Mystic Burnette v. *Home Services of America, Inc., Home Services of Kentucky, Inc.*, Semonin Realtors, Rector-Hayden Realtors, RE/MAX International, Inc., RE/MAX Connections, Properties East, Inc., d/b/a RE/MAX Properties East, Century 21 Real Estate LCC (f/k/a Century 21 Real Estate Corporation), Cendant Corporation, Coldwell Banker Real Estate Corporation, Coldwell Banker McMahan, Alliance Real Estate Services, LLC, d/b/a RE/MAX Alliance, Suzy N. Watkins, d/b/a RE/MAX Alliance, Realtors 2000, Inc., and RE/MAX of Kentucky, Tennessee, Inc.; Deposition Testimony.
- *Marsh Supermarkets, LLC* v. Roche Diagnostics Operations, et al.; Deposition Testimony.
- Morrison International Construction, Inc. v. *HITT;* Arbitration Testimony.
- Sears Logistics v. *Duke-Weeks Realty*, et al.; Deposition Testimony.
- *Rolls-Royce Corporation* v. AvidAir Corporation; Trial Testimony.
- In Re: Lauth Investment Properties, LLC, et al., Bankruptcy Proceedings; Deposition Testimony on behalf of *LIP Holdings LLC.*
- *Deutscher Tennis Bund (German Tennis Federation), Rothenbaum Sports GMBH and Qatar Tennis Federation* v. ATP Tour, Inc., Etienne de Villiers, Charles Pasarell, Graham Pearce, Jacco Eltingh, Perry Rogers and Iggy Jovanovic; Deposition and Trial Testimony.
- *Rolls-Royce Corporation* v. H.E.R.O.S., Inc., et al; Deposition Testimony.
- KIK International LLC v. *Satish Shah, The Satish Shah Revocable Trust, Amish Shah, Debra Ann Shah, Robert E. Theroux, Daniel L. Williams and Frederick H. Bachman*; Deposition Testimony and Arbitration Testimony.
- Ferolie Corporation v. *Advantage Sales & Marketing, LLC and Advantage Sales & Marketing Inc.*; Arbitration Testimony.
- Limagrain Genetics Corporation, Inc. v. *Bayer CropScience Inc. (as successor in interest to Rhone-Poulenc, Inc.)*; Arbitration Testimony.
- Ecesis LLC and John Smith (Plaintiffs/Counterclaim Defendants) v. *Hinshaw Roofing & Sheet Metal Co., Inc., Environmental Assurance Co., Inc., Jerry Brand, John Hatter, Bruce Morain, INOK Investments, LLC* (Defendants/Counterclaimants) and LXP-SCE I, LLC (Intervenor Defendant) and Jerry Brand, John Hatter, Bruce Morain and INOK Investments, LLC (Third Party Plaintiffs) v. Apogean, LLC (Third Party Defendant) and LXP-SCE I, LLC (Intervenor

Third Party Plaintiff) v. Apogean, LLC and Tricad, Inc. (Third Party Defendants); Deposition Testimony.

- *Sumco, Inc.* v. Underwriters at Lloyd's, London, Lexington Insurance Company, Hartford Fire Insurance Company, Wurttembergische Versicherung AG; Deposition Testimony.
- Re *Metris Securities Litigation;* Deposition Testimony.
- *Murray's Discount Auto Stores, Inc.* v. USRP Texas, L.P., First American Bank; Deposition Testimony.
- Marla Reynolds, Plan Trustee, For the Estate of Unger & Associates, Inc., v. Steven Feldman, Melvin I. Feldman, Harvey Schrednik, David Kalicka, John Sullivan, Barry Schulman, Alan Goodman, Bruce F. Hambro, Stanley Winer, *Myron D. Rowland and W. Robert Lawhorn*; Deposition Testimony.
- *Made2Manage, Inc.* v. ADS Information Systems, Inc.; Deposition Testimony.
- Carolyn G. Kochert, M.D. v. Greater Lafayette Health Services, Inc. *Anesthesiology Associates, P.C.* John Walling, *Kenneth Bochenek, M.D.*; Deposition Testimony.
- Peter R. Thomas v. *American Electric Power, Inc., American Electric Power Service Corporation, AEP Communications, Inc.*; Deposition Testimony.
- Arbitration between OCMC (claimant) and *One Call Communications, Inc., Telecommunications Computer Services, Inc., and Holiday Leasing Corp. (respondents)*; Deposition Testimony and Arbitration Testimony.
- Eastern Ohio Physicians Association v. *Anthem Insurance Company (d/b/a Community Insurance Company)*; Deposition Testimony.
- *Sally McCarty, as the Insurance Commissioner of the Department of the State of Indiana* v. Susan Blais, Alan Bloom, Patricia Fitzpatrick, Patricia Richards and Jeffrey Welch as officers and/or directors of Maxicare of Indiana, and Maxicare Health Plans, Inc.; Deposition Testimony.
- Q & R Associates, Inc., v. *Unifi Technical Fabrics, LLC* and Michael Mebane; Deposition Testimony.
- *Michael and Tina Bowen* v. Wabash Environmental Technologies LLC, TDK Property LLC, WET Waste Services LLC; Trial Testimony.
- Hearthmark, Inc. v. *AAA Warehouse Logistics Corporation;* Deposition Testimony.
- 32/37, Inc. v. *Marathon Ashland Petroleum LLC;* Superior; Deposition Testimony and Trial Testimony.
- *Pioneer Life Insurance Co. of Illinois* v. American Long Term Care Reinsurance Group; New York Arbitration; Deposition Testimony and Arbitration Testimony.
- *Glendale Center LLC* v. The Limited, Inc., et al.; Deposition Testimony.

- *General Data Company, Inc.* v. Solvay Paperboard, LLC; Western Division; Deposition Testimony.
- Defina Archuleta, et al. v. *Beneficial Standard Life Insurance Company,* Franklin Life Insurance Company, USG Annuity & Life Insurance Company, *American Life and Casualty Insurance Company aka Conseco Annuity Assurance Company,* Joe A Casados, Ronald J. Casados, Elsie A. Casados, and Camille Koehler; Deposition Testimony.
- *Moran Foods, Inc. d/b/a SAVE-A-LOT, LTD.,* v. Mid-Atlantic Market Development Company, LLC, Midwest Markets, LLC, Midwest Markets, LLC, Roger V. S. Camp, and Susan Camp; Deposition Testimony.
- Arbitration between *CSX, Intermodal, SL Service* and Union Pacific Railroad - Washington, DC; Deposition Testimony and Arbitration Testimony.
- *Bobrow* v. Bobrow; Deposition Testimony and Trial Testimony.
- *ONB Investment Services, et al.,* v. Mark R. Edwards, et al.; Arbitration Testimony.
- Gregory S. Young v. *General Data Company, Inc.* v. ExSOLiNT Systems LLC and Ray Jackson; Deposition Testimony.
- Single Source Packaging, LLC v. *Northern Indiana Packaging Co., Inc., et al.*; Deposition Testimony.
- *Anthem Insurance Companies, Inc.* v. Dennis H. Nystrom, Deloitte & Touche, et al.; Deposition Testimony.
- *Lawrence D. Bizzari* v. AAB Building Systems, Inc.; Deposition Testimony.
- Seminole Electric Coop. Inc. v. *Mt. Vernon Coal Transfer Co.*; Deposition Testimony and Arbitration Testimony.
- *Century American Insurance Company, and Century American Casualty Company* v. Coastal Physician Group, In., Medical Group Purchasing Association, and Scott Medical Group, L.L.C.; Deposition Testimony and Arbitration Testimony.
- *Waste Management, Inc.* v. Donald E. Foster and Wolf Industries, Inc., Hearing Testimony.
- *People of the State of Colorado* v. Jay W. Beaman; Trial Testimony.
- *Blaschak Coal Company* v. The Anthracite Health & Welfare Fund; Arbitration Testimony.
- *Longwood Elastomers, Inc.* v. Imco, Inc, Power Parts, Inc., and David M. Cullen; Deposition Testimony.
- C.M.A. Microdialysis Holding, A.B. v. *Bioanalytical Systems, Inc.*; Deposition Testimony.
- *George W. Newman, III* v. Salamander Industrial Products, Inc., et al.; Deposition Testimony and Trial Testimony.
- Walker Construction, et al. v. *Transcraft Corporation*, Arbitration Testimony.

- Duracell, Inc. v. *Dick Simon Racing, Inc.;* Deposition Testimony.
- *Sunbeam Corp.* and Rubbermaid, Inc.; Arbitration Testimony.
- *Hensler* v. Hensler; Trial Testimony.

Employment History

FTI Consulting - Forensic & Litigation Services Practice (2003 to present). Senior Managing Director.
Focus on damages and valuation assessments in complex litigation matters, as well as forensic / accounting investigations, internal and forensic investigations, SEC enforcement proceedings, regulatory compliance investigations, financial statement restatements, and other matters involving potential financial misconduct or misrepresentation.

KPMG LLP - Forensic Services Practice (2002 to 2003) Partner.
Focus on forensic / accounting investigations as well as damages and valuations assessments in complex litigation matters. In addition, was part of audit teams of many large clients and performed risk assessments and forensic audit procedures on such clients of KPMG. Led the forensics in the audit initiative for the central region of the US. Responsible for coordination of all Forensic Services practice for Midwest region of US. Member of Dispute Advisory Services Practice which was sold by KPMG to FTI Consulting effective November 2003.

Arthur Andersen LLP - Value Solutions Practice (1999 to 2002). Partner.
Focus on damage assessment and forensic accounting/fraud investigation, business and intellectual property valuations. Later joined KPMG as part of transaction where a portion of the national forensic practice was sold by Andersen to KPMG.

PricewaterhouseCoopers LLP -
Financial Advisory Services (1994 - 1999)
Five years experience, most recently as a **Partner**, focusing on damages assessment and forensic accounting/fraud investigation, business valuations, due diligence and other consulting related to mergers & acquisitions. Also, continued performing financial statement audits during this period.

Accounting & Auditing Services (1985 to 1994)
Nine years experience serving as a business advisor and auditor to public and private companies. Gary has experiences in a variety of industries including financial services (banking, mortgage banking, broker dealers), high-tech, health care, insurance, manufacturing, retail/distribution, sports-related businesses and leagues, and government/not-for-profit organizations. Responsibilities included managing engagements and reporting results to senior management, audit committee and/or board of directors for over 150 audits and reviews. Additionally, coordination with clients for other services provided to these including tax, human resource, and other consulting engagements. Although Mr. Kleinrichert transferred to the FAS practice in 1994, he continued to provide accounting and auditing services to certain major clients for several years.

Speeches, Seminars & Publications

- Law Bulletin – Annual White Collar Crime + Corporate Governance Conference, panel speaker.
- "IFRS Update," speaker at the AICPA National Fraud and Valuations Services Conference.
- "Even Litigators Go Green – Environmental Issues Affecting Business Litigation," panel

member at a seminar hosted by DTCI.

- "Investigations, Accounting Fraud, and Related Economic Damages," co-presented at the SecuritesDocket.com webinar.
- "A New Frontier – Best Practices in Fraud Investigations," co-presented at the SecuritesDocket.com webinar.
- "Forensic Accounting, Electronic Discovery and other Investigative Techniques Pertaining to FCPA and Special Committee Investigations with an Emphasis on Legal, Privacy and Electronic Data Matters," co-presented at the AICPA FVS Section national webinar.
- "Avoiding Surprises with Post-Acquisition Disputes," presented at the Columbus (Ohio) Bar Association.
- "Calculating Economic Damages & the Admissibility of Expert Witness Testimony," presented at the Indiana Continuing Legal Education Forum.
- "Using Your IP to Increase Shareholder Value," presented at the Intellectual Property Seminar sponsored by the Indiana Chamber of Commerce.
- "The Last 20 Year of Patent and Trademark Damages: A Litigation Evolution," presented at the Midwestern Intellectual Property Symposium (sponsored by the Indiana Continuing Legal Education Forum).
- "Calculating Damages in Complex Litigation," presented at the Ohio Association of Civil Trial Attorneys Meeting.
- "Business Valuation Issues in Litigation," presented at the Indiana Continuing Legal Education Forum.
- "Damage Analysis – determining lost revenues and Daubert considerations," published in *The Indiana Lawyer*.
- "Mergers, acquisitions and divestitures – common issues in post-transaction disputes," published in *The Indiana Lawyer*.
- "Board Governance Series," quoted in *Corporate Board Member*, volume 12, 2008.
- Presenter at numerous recruiting events at colleges, universities, and numerous local and national training courses.
- "Kenneth Smith Financial Regulation Program," presented at Drake University.

Appendix B

Appendix B

List of Materials Reviewed

Legal Documents

US and Wisconsin's First Amended Complaint and Exhibits, dated December 1, 2010 (Dkt 30)

Declaration of Ronald R. Ragatz and Exhibit 3, dated April 12, 2011

Declaration of Darin P. McAtee in Support of NCR Corporation's Memorandum of Law in Opposition to the United States' Motion for a Preliminary Injunction and NCR Corporation's Motion for Registration of Judgment for Enforcement Pursuant to 28 U.S.C. Section 1963 and Exhibits 3, 6, 8, 9, and 15, dated April 12, 2011

Declaration of Tami Van Straten in Opposition to the United States' Motion for Entry of Revised Proposed Terms of an Injunction and Exhibits, dated July 22, 2011

Declaration of Randall M. Stone in Response to Motion for Summary Judgment of Non-Liability Filed by Appleton Papers Inc. and Exhibit 3, dated August 26, 2011

EPA's Motion to Dismiss the Petition of Appleton Papers Inc. or in the Alternative Motion to Stay Proceedings, dated July 12, 2012

Declaration of Bryan A. Heath in Support of NCR Corporation's Expedited Motion to Enforce the 40/60 Cost-Sharing Consent Judgment Against Appleton Papers Inc. and Exhibits, dated August 2, 2012

NCR Corporation's Memorandum of Law in Support of Its Expedited Motion to Enforce the 40/60 Cost-Sharing Consent Judgment Against Appleton Papers Inc., dated August 2, 2012 (Dkt 468)

Memorandum of Defendant Appleton Papers Inc. in Support of Motion to Stay or Strike NCR Corporation's Motion to Enforce the 40/60 Cost-Sharing Judgment and for Entry of an Order Compelling Arbitration, dated August 3, 2012 (Dkt 472)

Appeal from the United States District Court for the Eastern District of Wisconsin No. 10-C-910—William C. Griesbach, Judge, Argued June 4, 2012—Decided August 3, 2012

Defendant NCR Corporation's Responses and Objections to WTM I Company's First Set of Interrogatories and Requests for Production of Documents, dated August 9, 2012

Defendant NCR Corporation's Responses and Objections to the United States' Amended Notice of Deposition of NCR Corporation Pursuant to FED R. CIV. P. 30(b)(6), dated August 9, 2012

Defendant NCR Corporation's Opposition to Certain Defendants' Civil L. R. 7(H) Expedited Non-Dispositive Motion to Modify the Case Management Schedule, August 22, 2012 (Dkt 485)

Defendant Appleton Papers Inc.'s Memorandum in Opposition to NCR Corporation's Expedited Motion to Enforce the 40/60 Cost-Sharing Consent Judgment, dated August 22, 2012 (Dkt 486)

NCR Corporation's Opposition to Appleton Paper Inc.'s Motion to Stay or Strike NCR Corporation's Motion to Enforce the 40/60 Cost-Sharing Judgment and for Entry of an Order Compelling Arbitration, dated August 22, 2012 (Dkt 487)

Depositions and/or Deposition Exhibits

Design Forecast 2012-08-24B Deposition.xlsm; Exhibit to George Berken Deposition

NCR's current estimate of total costs to complete the Fox River Site remediation work, Exhibit to Sue O'Connell Deposition

Other Documents

Separation and Distribution Agreement By and Among AT&T Corp. Lucent Technologies Inc., and NCR Corp., dated February 1, 1996 and Amended and Restated as of March 29, 1996

EPA Memorandum on General Policy on Superfund Ability to Pay Determinations

Appendix B
List of Materials Reviewed

Company Filings

British American Tobacco Annual Review and Summary Financial Statement 2006
British American Tobacco Annual Review and Summary Financial Statement 2007
British American Tobacco Annual Review and Summary Financial Statement 2008
British American Tobacco Annual Review and Summary Financial Statement 2009
British American Tobacco Annual Review and Summary Financial Statement 2010
British American Tobacco Annual Review and Summary Financial Statement 2011
Paperweight Development Corp. and Appleton Papers Inc. Form 10-k for the year ended December 29, 2007
Paperweight Development Corp. and Appleton Papers Inc. Form 10-k for the year ended January 3, 2009
Paperweight Development Corp. and Appleton Papers Inc. Form 10-k for the year ended January 2, 2010
Paperweight Development Corp. and Appleton Papers Inc. Form 10-k for the year ended January 1, 2011
Paperweight Development Corp. and Appleton Papers Inc. Form 10-k for the year ended December 31, 2011
NCR Corporation Form 10-k for the year ended December 31, 2007
NCR Corporation Form 10-k for the year ended December 31, 2008
NCR Corporation Form 10-k for the year ended December 31, 2009
NCR Corporation Form 10-k for the year ended December 31, 2010
NCR Corporation Form 10-k for the year ended December 31, 2011
NCR's Form 8-K and Exhibit 10.1 filed with the SEC on August 26, 2011
NCR Corporation Form 8-K filed August 14, 2012
NCR Corporation Form 8-K filed August 22, 2012
NCR Corporation Form 10-Q for the quarter ended March 31, 2011
NCR Corporation Form 10-Q for the quarter ended June 30, 2011
NCR Corporation Form 10-Q for the quarter ended September 30, 2011
NCR Corporation Form 10-Q for the quarter ended March 31, 2012
NCR Corporation Form 10-Q for the quarter ended June 30, 2012
AT&T Corp. Form 10-k for the year ended December 31, 2003
AT&T Corp. Form 10-Q for the quarter ended September 30, 2003
AT&T Corp. Annual Report for 2009
AT&T Corp. Annual Report for 2011
Lucent Technologies Inc. Form 10-12b, filed February 26, 1996
Lucent Technologies Inc. Form 10-k for the year ended September 30, 2003
Lucent Technologies Form 10-Q for the quarter ended December 31, 2003
Alcatel-Lucent Annual Report on Form 20-F for 2009
Alcatel-Lucent Annual Report on Form 20-F for 2011
HP Annual Report for October 31, 2009
HP Annual Report for October 31, 2011
Fujitsu Limited Annual Report for 2010
Fujitsu Limited Annual Report for 2012
IBM Annual Report for December 31, 2009
IBM Annual Report for December 31, 2011
Diebold Inc. Annual Report for December 31, 2009
Diebold Inc. Annual Report for December 31, 2011

Appendix B

List of Materials Reviewed

Analyst Reports

Thomson Reuters Company in Context Report on NCR Corporation, August 7, 2012

NCR Corporation: NCR: Final 1Q12 in Line; ATMs Sound, Core Retail, W. Europe Overall Soft, Keybanc Capital Markets, April 20, 2012

NCR: Downgrading to Neutral from Outperform as Potential FCPA Issues Add Meaningful Risk, Wedbush Securities, July 31, 2012

NCR: Pension Resolution Should Create Material Revaluation; Reiterate OUTPERFORM and Raising Target to $33 from $30, Wedbush Securities, July 31, 2012

NCR: Growth Continues In Spite of Currency and Economic Headwinds; Reiterate OUTPERFORM, Wedbush Securities, July 19, 2012

NCR Corp Stock Report, Standard & Poors, August 11, 2012

Zacks Investment Research report for NCR Corp, July 24, 2012

First Call Earnings Valuation Report for NCR Corporation, August 7, 2012

Ned Davis Research Group report for NCR Corporation, August 5, 2012

Bated Documents

NCR-FOX-ENF0001165-69
NCR-FOX-ENF0001203-23
API 119311-12
API 268370-92

Websites

http://finance.yahoo.com for NCR Corp.
http://www.ncr.com/newsroom/resources/q2-2012.
http://www.ncr.com/newsroom/resources/lump-sum-pension
http://online.wsj.com/article/BT-CO-20120731-722226.html
http://seekingalpha.com/article/512571-ncr-s-ceo-discusses-q1-2012-results-earnings-call-transcript?part=single.
http://www.oanda.com

Exhibits 1.1 to 1.4

Exhibit 1.1
NCR's Historical Consolidated Statements of Operations
(in millions)

	6 Months Ended June 30	12 Months Ended December 31					
	2012 [1]	2011 [2]	2010 [2]	2009 [2]	2008 [3]	2007 [4]	2006 [5]
Product revenue	$ 1,276	$ 2,744	$ 2,400	$ 2,228	$ 2,861	$ 2,693	$ 2,428
Service revenue	1,377	2,699	2,410	2,371	2,454	2,277	2,154
Total revenue	**$ 2,653**	**$ 5,443**	**$ 4,810**	**$ 4,599**	**$ 5,315**	**$ 4,970**	**$ 4,582**
Cost of products	979	2,209	1,923	1,808	2,113	2,035	1,803
Cost of services	1,019	2,099	1,923	1,911	2,019	1,895	1,852
Total Cost of Sales	**$ 1,998**	**$ 4,308**	**$ 3,846**	**$ 3,719**	**$ 4,132**	**$ 3,930**	**$ 3,655**
Gross Profit	**$ 655**	**$ 1,135**	**$ 964**	**$ 880**	**$ 1,183**	**$ 1,040**	**$ 927**
Selling, general and administrative expenses	402	805	696	636	713	684	654
Research and development expenses	103	177	162	141	148	137	119
Impairment of long-lived and other assets		88	-	-	-	-	
Total operating expenses	$ 505	$ 1,070	$ 858	$ 777	$ 861	$ 821	$ 773
Income from operations	**150**	**65**	**106**	**103**	**322**	**219**	**154**
Interest expense	(17)	(13)	(2)	(10)	(22)	(24)	(24)
Other (expense) income, net	(7)	(3)	(11)	(31)	16	37	29
Income from continuing operations before income taxes	$ 126	$ 49	$ 93	$ 62	$ 316	$ 232	$ 159
Income tax (benefit) expense	20	-	(26)	(3)	68	61	8
Income from continuing operations	**$ 106**	**$ 49**	**$ 119**	**$ 65**	**$ 248**	**$ 171**	**$ 151**
Income (loss) from discontinued operations, net of tax	4	3	18	(95)	(21)	103	231
Net income (loss)	$ 110	$ 52	$ 137	$ (30)	$ 227	$ 274	$ 382
Net (loss) income attributable to noncontrolling interests	1	(1)	3	3	(1)	-	
Net income (loss) attributable to NCR	**$ 109**	**$ 53**	**$ 134**	**$ (33)**	**$ 228**	**$ 274**	**$ 382**
Amounts attributable to NCR common stockholders:							
Income from continuing operations	105	50	116	62	249	171	151
Income (loss) from discontinued operations, net of tax	4	3	18	(95)	(21)	103	231
Net income (loss) attributable to NCR common stockholders	$ 109	$ 53	$ 134	$ (33)	$ 228	$ 274	$ 382
EBITDA [6]	231	$ 233	$ 244	$ 231	$ 436	$ 329	$ 258

Notes/Sources:
[1] NCR Corporation Form 10-Q for the quarter ended June 30, 2012.
[2] NCR Corporation Form 10-K for the year ended December 31, 2011.
[3] NCR Corporation Form 10-K for the year ended December 31, 2010.
[4] NCR Corporation Form 10-K for the year ended December 31, 2009.
[5] NCR Corporation Form 10-K for the year ended December 31, 2008.
[6] Calculated as income from operations plus depreciation and amortization from Exhibit 1.4.

Exhibit 1.2
NCR's Common-Sized Historical Consolidated Statements of Operations
(Amounts expressed as a percentage of net sales)

	6 Months Ended June 30	12 Months Ended December 31					
	2012 [1]	2011 [2]	2010 [2]	2009 [2]	2008 [3]	2007 [4]	2006 [5]
Product revenue	48.1%	50.4%	49.9%	48.4%	53.8%	54.2%	53.0%
Service revenue	51.9%	49.6%	50.1%	51.6%	46.2%	45.8%	47.0%
Total revenue	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Cost of products	36.9%	40.6%	40.0%	39.3%	39.8%	40.9%	39.3%
Cost of services	38.4%	38.6%	40.0%	41.6%	38.0%	38.1%	40.4%
Total Cost of Sales	**75.3%**	**79.1%**	**80.0%**	**80.9%**	**77.7%**	**79.1%**	**79.8%**
Gross Profit	**24.7%**	**20.9%**	**20.0%**	**19.1%**	**22.3%**	**20.9%**	**20.2%**
Selling, general and administrative expenses	15.2%	14.8%	14.5%	13.8%	13.4%	13.8%	14.3%
Research and development expenses	3.9%	3.3%	3.4%	3.1%	2.8%	2.8%	2.6%
Impairment of long-lived and other assets	0.0%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Total operating expenses	19.0%	19.7%	17.8%	16.9%	16.2%	16.5%	16.9%
Income from operations	**5.7%**	**1.2%**	**2.2%**	**2.2%**	**6.1%**	**4.4%**	**3.4%**
Interest expense	-0.6%	-0.2%	0.0%	-0.2%	-0.4%	-0.5%	-0.5%
Other (expense) income, net	-0.3%	-0.1%	-0.2%	-0.7%	0.3%	0.7%	0.6%
Income from continuing operations before income taxes	4.7%	0.9%	1.9%	1.3%	5.9%	4.7%	3.5%
Income tax (benefit) expense	0.8%	0.0%	-0.5%	-0.1%	1.3%	1.2%	0.2%
Income from continuing operations	**4.0%**	**0.9%**	**2.5%**	**1.4%**	**4.7%**	**3.4%**	**3.3%**
Income (loss) from discontinued operations, net of tax	0.2%	0.1%	0.4%	-2.1%	-0.4%	2.1%	5.0%
Net income (loss)	4.1%	1.0%	2.8%	-0.7%	4.3%	5.5%	8.3%
Net (loss) income attributable to noncontrolling interests	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%
Net income (loss) attributable to NCR	**4.1%**	**1.0%**	**2.8%**	**-0.7%**	**4.3%**	**5.5%**	**8.3%**
Amounts attributable to NCR common stockholders:							
Income from continuing operations	4.0%	0.9%	2.4%	1.3%	4.7%	3.4%	3.3%
Income (loss) from discontinued operations, net of tax	0.2%	0.1%	0.4%	-2.1%	-0.4%	2.1%	5.0%
Net income (loss) attributable to NCR common stockholders	4.1%	1.0%	2.8%	-0.7%	4.3%	5.5%	8.3%
EBITDA [6]	8.7%	4.3%	5.1%	5.0%	8.2%	6.6%	5.6%

Notes/Sources:
[1] NCR Corporation Form 10-Q for the quarter ended June 30, 2012.
[2] NCR Corporation Form 10-K for the year ended December 31, 2011.
[3] NCR Corporation Form 10-K for the year ended December 31, 2010.
[4] NCR Corporation Form 10-K for the year ended December 31, 2009.
[5] NCR Corporation Form 10-K for the year ended December 31, 2008.
[6] Calculated as income from operations plus depreciation and amortization from Exhibit 1.4.

Exhibit 1.3
NCR's Historical Consolidated Balance Sheets
(in millions)

	June 30, 2012 [1]	Dec. 31, 2011 [2]	Dec. 31, 2010 [2]	Dec. 31, 2009 [3]	Dec. 31, 2008 [4]	Dec. 31, 2007 [5]	Dec. 31, 2006 [6]
Assets							
Cash and cash equivalents	$ 377	$ 398	$ 496	$ 451	$ 711	$ 952	$ 947
Accounts receivable, net	1,078	1,038	928	896	913	1,167	1,016
Inventories, net	798	774	741	686	692	717	641
Other current assets	-	305	313	266	241	252	265
Current assets related to discontinued operations	359						463
Total current assets	**$ 2,612**	**$ 2,515**	**$ 2,478**	**$ 2,299**	**$ 2,557**	**$ 3,088**	**$ 3,332**
Property, plant and equipment, net	297	365	429	356	308	313	314
Goodwill	937	913	115	100	84	64	60
Intangibles	297	312	15				
Prepaid pension cost	358	339	286	244	251	776	635
Deferred income taxes	710	714	630	617	645	210	212
Other assets	412	433	408	478	410	329	272
Long-term assets related to discontinued operations							402
Total assets	**$ 5,623**	**$ 5,591**	**$ 4,361**	**$ 4,094**	**$ 4,255**	**$ 4,780**	**$ 5,227**
Liabilities and stockholders' equity							
Short-term borrowings	39	1	1	4	301	1	1
Accounts payable	559	525	499	557	492	516	467
Payroll and benefits liabilities	183	221	175	125	210	231	213
Deferred service revenue and customer deposits	470	418	362	329	317	359	318
Other current liabilities	394	400	379	367	373	423	385
Current liabilities related to discontinued operations							386
Total current liabilities	**$ 1,645**	**$ 1,565**	**$ 1,416**	**$ 1,382**	**$ 1,693**	**$ 1,530**	**$ 1,770**
Long-term debt	701	852	10	11	7	307	306
Pension and indemnity plan liabilities	1,625	1,662	1,259	1,268	1,424	433	446
Postretirement and postemployment benefits liabilities	257	256	309	355	359	359	395
Deferred income taxes						45	27
Income tax accruals	143	148	165	165	155	165	132
Environmental liabilities	197	220	244	279	105		
Other liabilities	59	53	42	42	47	165	147
Minority interests						19	20
Long-term liabilities related to discontinued operations							103
Total liabilities	**$ 4,627**	**$ 4,756**	**$ 3,445**	**$ 3,502**	**$ 3,790**	**$ 3,023**	**$ 3,346**
Commitments and contingencies							
Redeemable noncontrolling interest	14	1	-	-	-	-	-
Stockholders' equity							
Preferred stock: par value $0.01 per share, 100.0 shares authorized	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Common stock: par value $0.01 per share, 500.0 shares authorized	2	2	2	2	2	2	2
Paid-in capital	316	301	281	270	248	683	655
Retained earnings	2,097	1,988	1,935	1,801	1,834	1,608	1,900
Accumulated other comprehensive loss	(1,468)	(1,492)	(1,335)	(1,509)	(1,644)	(536)	(676)
Total NCR stockholders' equity	**$ 947**	**$ 799**	**$ 883**	**$ 564**	**$ 440**	**$ 1,757**	**$ 1,881**
Noncontrolling interests in subsidiaries	35	35	33	28	25		
Total stockholders' equity	**$ 982**	**$ 834**	**$ 916**	**$ 592**	**$ 465**	**$ 1,757**	**$ 1,881**
Total liabilities and stockholders' equity	**$ 5,623**	**$ 5,591**	**$ 4,361**	**$ 4,094**	**$ 4,255**	**$ 4,780**	**$ 5,227**
Working Capital [7]	$ 967	$ 950	$ 1,062	$ 917	$ 864	$ 1,558	$ 1,562
Average Working Capital [8]	$ 959	$ 1,006	$ 990	$ 891	$ 1,211	$ 1,560	

Notes/Sources:
[1] NCR Corporation Form 10-Q for the quarter ended June 30, 2012.
[2] NCR Corporation Form 10-K for the year ended December 31, 2011.
[3] NCR Corporation Form 10-K for the year ended December 31, 2010.
[4] NCR Corporation Form 10-K for the year ended December 31, 2009.
[5] NCR Corporation Form 10-K for the year ended December 31, 2008.
[6] NCR Corporation Form 10-K for the year ended December 31, 2007.
[7] Calculated as current assets less current liabilities.
[8] Calculated as the average of current period and prior period ending working capital.

Exhibit 1.4
NCR's Historical Consolidated Statements of Cash Flows
(in millions)

	6 Months Ended June 30	12 Months Ended December 31					
	2012 [1]	2011 [2]	2010 [2]	2009 [2]	2008 [3]	2007 [4]	2006 [5]
Operating Activities							
Net income (loss)	$ 110	$ 52	$ 137	$ (30)	$ 227	$ 274	$ 382
Adjustments to reconcile net income (loss) to net cash provided by operating activities:							
(Income) loss from discontinued operations	(4)	(3)	(18)	95	21	(103)	(231)
Depreciation and amortization	81	168	138	128	114	110	104
Stock-based compensation expense	22	33	21	12	41	42	20
Excess tax benefit from stock-based compensation	-	(1)	-		(2)	(9)	(10)
Deferred income taxes	8	(64)	(63)	(78)	10	(7)	8
Gain on sale of property, plant and equipment	(7)	(5)	(10)	(12)	(30)	(2)	(9)
Impairment of long-lived and other assets	7	98	14	39	-	-	-
Changes in operating assets and liabilities:							
Receivables	(47)	(58)	(26)	27	249	(166)	(66)
Inventories	(40)	1	(54)	5	25	(76)	(76)
Current payables and accrued expenses	(4)	55	(12)	(28)	(56)	52	67
Deferred service revenue and customer deposits	50	34	34	18	(42)	43	32
Employee severance and pension	4	92	80	49	(43)	(31)	24
Environmental liabilities						9	
Other assets and liabilities	(60)	(27)	6	35	(74)	15	(55)
Net cash provided by operating activities	**$ 120**	**$ 375**	**$ 247**	**$ 260**	**$ 440**	**$ 151**	**$ 190**
Investing activities							
Grant reimbursements from capital expenditures		-	5	9	-	-	
Expenditures for property, plant and equipment	(31)	(101)	(174)	(121)	(75)	(64)	(99)
Proceeds from sales of property, plant and equipment	8	2	39	11	59	31	59
Additions to capitalized software	(37)	(62)	(57)	(61)	(63)	(48)	(45)
Business acquisitions, net of cash acquired	(25)	(1,087)	-	-	-	-	
Other investing activities, net	8	2	(24)	(41)	(65)	(12)	(6)
Net cash used in investing activities	**$ (77)**	**$ (1,246)**	**$ (211)**	**$ (203)**	**$ (144)**	**$ (93)**	**$ (91)**
Financing activities							
Repurchases of Company common stock	-	(70)	(20)	(1)	(494)	(83)	(280)
Short-term borrowings	2	-	(4)	4	-	-	(1)
Long-term debt		-	(1)	-	-	-	1
Repayment of senior unsecured notes		-	-	(300)	-	-	-
Tax withholding payments on behalf of employees	(9)						
Excess tax benefit from stock-based compensation	-	1	-	-	2	9	10
Proceeds from employee stock plans	13	18	11	9	17	48	89
Borrowings on term credit facility		700	-	-	-	-	-
Payments on revolving credit facility	(305)	(260)	(75)	(30)	-	-	-
Borrowings on revolving credit facility	190	400	75	30	-	-	-
Debt issuance cost		(29)	-	-	-	-	-
Proceeds from sale of noncontrolling interest		43	-	-	-	-	-
Dividend distribution to minority shareholder		(1)	-	-	-	-	-
Distribution to discontinued operation		-	-	-	-	(200)	-
Other financing activities, net		-	-	-	-	(1)	(3)
Net cash provided by (used in) financing activities	**$ (109)**	**$ 802**	**$ (14)**	**$ (288)**	**$ (475)**	**$ (227)**	**$ (184)**
Cash flows from discontinued operations							
Net cash (used in) provided by operating activities	(44)	(24)	16	(37)	(44)	223	292
Netcash used in investing activities	98	-	-	-	-	(74)	(89)
Net cash provided by financing activities		-	-	-	-	5	7
Effect of exchange rate changes on cash and cash equivalents	(9)	(5)	7	8	(18)	20	12
(Decrease) increase in cash and cash equivalents	(21)	(98)	45	(260)	(241)	5	137
Cash and cash equivalents at beginning of period	398	496	451	711	952	947	810
Cash and cash equivalents at end of period	$ 377	$ 398	$ 496	$ 451	$ 711	$ 952	$ 947
Cash paid during the year for:							
Income taxes		$ 55	$ 34	$ 49	$ 108	$ 123	$ 60
Interest		$ 5	$ 2	$ 10	$ 22	$ 24	$ 24

Notes/Sources:
[1] NCR Corporation Form 10-Q for the quarter ended June 30, 2012.
[2] NCR Corporation Form 10-K for the year ended December 31, 2011.
[3] NCR Corporation Form 10-K for the year ended December 31, 2010.
[4] NCR Corporation Form 10-K for the year ended December 31, 2009.
[5] NCR Corporation Form 10-K for the year ended December 31, 2008.

Exhibit 2

Exhibit 2
Financial Ratio Analysis for NCR and Competitors

Liquidity Ratios

	Current Ratio [Current Assets / Current Liabilities]					Quick Ratio [(Cash and Equivalents + A/R) / Current Liabilities]				
	2012 [6]	2011	2010	2009	2008	2012 [6]	2011	2010	2009	2008
NCR [1]	1.59	1.61	1.75	1.66	1.51	0.88	0.92	1.01	0.97	0.96
HP [2]	N/A	1.01	1.10	1.22	0.98	N/A	0.58	0.66	0.76	0.56
Fujitsu [3]	N/A	1.20	1.17	1.20	1.22	N/A	0.82	0.81	0.85	0.89
IBM [4]	N/A	1.21	1.19	1.36	1.15	N/A	0.98	0.98	1.13	0.95
Diebold [5]	N/A	2.10	2.12	2.14	2.19	N/A	1.26	1.24	1.13	1.10

Leverage Ratios

	Debt to Asset Ratio [Total Debt / Total Assets]					Interest Coverage Ratio [Operating Income Before Interest / Interest Expense]				
	2012 [6]	2011	2010	2009	2008	2012 [6]	2011	2010	2009	2008
NCR [1]	0.13	0.15	0.00	0.00	0.07	8.8	5.0	53.0	10.3	14.6
HP [2]	N/A	0.24	0.18	0.14	0.16	N/A	17.6	27.5	17.0	22.4
Fujitsu [3]	N/A	0.14	0.17	0.20	0.30	N/A	35.2	48.7	13.0	8.9
IBM [4]	N/A	0.27	0.25	0.24	0.31	N/A	52.1	54.6	46.1	25.8
Diebold [5]	N/A	0.25	0.22	0.22	0.24	N/A	4.6	4.6	4.3	4.1

Notes/Sources:
[1] Exhibits 1.1 and 1.3.
[2] HP Annual Reports.
[3] Fujitsu Annual Reports.
[4] IBM Annual Reports.
[5] Diebold Annual Reports.
[6] Ratios for 2012 were only calculated for NCR.

Exhibit 3

Exhibit 3
Analyst Revenue and Earnings Projections for NCR
(For the years 2012 through 2014)

Revenues (in millions)	2012	2013	Growth
Zacks Investment Research [1]	$ 5,814	$ 6,150	5.8%
Standard & Poors [2]	5,797	6,058	4.5%
Wedbush Securities [3]	5,794	6,128	5.8%
Wedbush Securities (consensus) [4]	5,934	6,305	6.3%
Mean	$ 5,835	$ 6,160	5.6%
Median	$ 5,805	$ 6,139	5.8%

Earnings from continuing operations [5] (in millions)	2012	2013	Growth
Standard & Poors [2]	$ 249	$ 313	25.7%
Wedbush Securities [3]	252	390	54.5%
Mean	$ 251	$ 352	40.1%
Median	$ 251	$ 352	40.1%

EPS from continuing operations before pension, acquisition, amortization, and impairment expenses	2012	2013	Growth	2014	Growth
Zacks Investment Research [1]	$ 2.46	$ 2.71	10.2%		
First Call Earnings Valuation Report [6]	2.47	2.68	8.5%	$ 2.82	5.2%
Thomson Reuters [7]	2.47	2.70	9.3%		
Ned Davis Research Group [8]	2.47	2.67	8.1%	2.75	3.0%
Standard & Poors [2]	2.48	2.69	8.5%		
KeyBanc Capital Markets [9]	2.46	2.73	11.0%		
Wedbush Securities [4]	2.50	2.80	12.0%		
Mean	$ 2.47	$ 2.71	9.65%	$ 2.79	4.11%
Median	$ 2.47	$ 2.70	9.31%	$ 2.79	4.11%

Notes/Sources:
[1] Zacks Investment Research report for NCR Corp, July 24, 2012.
[2] "NCR Corp Stock Report", Standard & Poors, August 11, 2012.
[3] "NCR: Pension Resolution Should Create Material Revaluation; Reiterate OUTPERFORM and Raising Target to $33 from $30", Wedbush Securities, July 31, 2012.
[4] "NCR: Growth Continues In Spite of Currency and Economic Headwinds; Reiterate OUTPERFORM", Wedbush Securities, July 19, 2012.
[5] Calculated as projected EPS from continuing operations multiplied by 163.9 million fully diluted shares outstanding as of June 30, 2012. NCR Corporation Form 10-Q for the quarter ended June 30, 2012.
[6] First Call Earnings Valuation Report for NCR Corporation, August 7, 2012.
[7] Thomson Reuters Company in Context Report on NCR Corporation, August 7, 2012.
[8] Ned Davis Research Group report for NCR Corporation, August 5, 2012.
[9] "NCR Corporation: NCR: Final 1Q12 in Line; ATMs Sound, Core Retail, W. Europe Overall Soft", Keybanc Capital Markets, April 20, 2012.

Exhibit 4

Exhibit 4
NCR's Projected Available Cash and Borrowing Capacity Under its Revolving Credit Agreement After Fox River Site Costs

Excluding impact of indemnification agreements
(in millions, rounded to the nearest million)

Cash Flow Calculation

	2H 2012	2013	2014	2015	2016	2017
Estimated net income from continuing operations [1]	$ 144	$ 313	$ 322	$ 332	$ 342	$ 352
Plus: Estimated depreciation and amortization [2]	74	147	$ 143	147	152	156
Less: Estimated capital expenditures [3]	(74)	(147)	$ (143)	(147)	(152)	(156)
Less: Estimated working capital increases [4]	(69)	(65)	$ (33)	(34)	(35)	(36)
Less: Existing debt repayment [5]	(25)	(70)	$ (70)	(70)	(70)	(70)
Less: New debt borrowings/repayment [6]	-	(70)	$ (68)	(85)	(68)	(193)
Free Cash Flow after debt service before Fox River Site costs	$ 50	$ 108	$ 151	$ 143	$ 169	$ 53
Anticipated Fox River Site costs (after tax) [7]	25	68	68	47	47	47
Free Cash Flow after debt service and anticipated Fox River Site costs	$ 25	$ 40	$ 83	$ 96	$ 122	$ 6

Available cash and additional borrowing capacity under the terms of NCR's revolving credit agreement

	2H 2012	2013	2014	2015	2016	2017
Prior period-end cash balance [8]	$ 377	$ 402	$ 442	$ 525	$ 621	$ 743
Free Cash Flow after debt service and anticipated Fox River Site costs	25	40	83	96	122	6
Year-end Cash Balance [9]	$ 402	$ 442	$ 525	$ 621	$ 743	$ 749
Additional borrowing capacity under the terms of NCR's revolving credit agreement [10]	700	700	700	700	700	700
Available cash and existing borrowing capacity under the original revolving credit agreement after Fox River Site costs	$ 1,102	$ 1,142	$ 1,225	$ 1,321	$ 1,443	$ 1,449

Notes/Sources:

[1] 2H 2012 amount calculated as full-year amount from Exhibit 6 less income from continuing operations from Exhibit 1.1. 2013 through 2017 amounts from Exhibit 6.

[2] 2H 2012 amount equal to Wedbush Securities projection less amount from the six months ended June 30, 2012 from Exhibit 1.4. 2013 amount from Wedbush projection. 2014 through 2017 calculated as 2.2% of revenues. "NCR: Pension Resolution Should Create Material Revaluation; Reiterate OUTPERFORM and Raising Target to $33 from $30", Wedbush Securities, July 31, 2012.

[3] Assumed to be equal to depreciation and amortization beginning after June 30, 2012.

[4] 2H 2012 amount calculated as ending projected working capital from Exhibit 7 less working capital of $967 at June 30, 2012. Exhibit 1.3. 2013 through 2017 amounts from Exhibit 7.

[5] 2H 2012 amount based on assumed repayment of the $25 million outstanding on the revolving credit facility at June 30, 2012. 2013 through 2017 based on principal payment schedule identified in NCR's Form 10-Q filing for the quarter ended June 30, 2012.

[6] Assumes $300 million of new debt taken out in the third quarter of 2012 repaid based on the terms of the debt agreement for the additional term loan and an estimate of the timing of future repayments and borrowings for the additional revolving credit facility. Excludes cash inflows from assumed borrowings on additional revolving credit facility. NCR Form 8-K filed August 22, 2012.

[7] 2H 2012 amount based on full year 2012 amount from Exhibit 8 less $30 million incurred in the six months ended June 30, 2012 (calculated based on $12 million reduction in reserve divided by NCR's assumed 40% share of Fox River Site costs). 2013 through 2017 amounts from Exhibit 8.

[8] 2H 2012 prior period-end cash balance equal to NCR's cash balance at June 30, 2012. NCR Corporation Form 10-Q for the quarter ended June 30, 2012.

[9] Excludes any increase in cash necessary to support additional working capital growth.

[10] Additional borrowing capacity at year end as indicated by leverage ratio and interest coverage ratio calculations in Exhibit 9.

Exhibit 5

Exhibit 5
NCR's Projected Revenues
(in millions, rounded to the nearest million)

	2011 [1]	2012 [2]	2013 [2]	2014 [3]	2015 [3]	2016 [3]	2017 [3]
Projected revenue [4]	$ 5,443	$ 5,934	$ 6,305	$ 6,494	$ 6,689	$ 6,889	$ 7,095
Growth from prior year		9.0%	6.3%	3.0%	3.0%	3.0%	3.0%

[1] NCR's actual revenues in 2011. Exhibit 1.1.
[2] Consensus revenue estimates from Wedbush Securities. "NCR: Growth Continues In Spite of Currency and Economic Headwinds; Reiterate OUTPERFORM", Wedbush Securities, July 19, 2012.
[3] Growth equal to the low projected growth rate in 2014 non-GAAP, non-pension EPS from Exhibit 3.
[4] 2014 through 2017 calculated as prior year amount multiplied by growth rate. Amounts in millions, rounded to the nearest million.

Exhibit 6

Exhibit 6

NCR's Projected Net Income from Continuing Operations

(in millions, rounded to the nearest million)

	2012 [1]	2013 [2]	2014 [3]	2015 [3]	2016 [3]	2017 [3]
Projected income from continuing operations [4]	$ 249	$ 313	$ 322	$ 332	$ 342	$ 352
Growth from prior year		25.7%	3.0%	3.0%	3.0%	3.0%

NCR 2012 Earnings Guidance

	Low	High
EPS from continuing operations [5]	$ 1.45	$ 1.52
Earnings from continuing operations [6]	$ 238	$ 249

[1] Projected EPS from continuing operations of $1.52 multiplied by NCR's 163.9 million diluted shares outstanding at June 30, 2012. NCR Corporation Form 10-Q for the quarter ended June 30, 2012.

[2] Projected EPS from continuing operations of $1.91 multiplied by NCR's 163.9 million diluted shares outstanding at June 30, 2012. NCR Corporation Form 10-Q for the quarter ended June 30, 2012.

[3] Growth equal to the low projected growth rate in 2014 EPS from continuing operations before pension, acquisition, amortization, and impairment from Exhibit 3.

[4] 2014 through 2017 amounts calculated as prior year amount multiplied by growth rate. Amounts in millions, rounded to the nearest million.

[5] Earnings guidance from NCR's second quarter 2012 earnings press release. http://www.ncr.com/newsroom/resources/q2-2012.

[6] NCR's indicated EPS from continuing operations multiplied by 163.9 million diluted shares outstanding at June 30, 2012. NCR Corporation Form 10-Q for the quarter ended June 30, 2012.

Exhibit 7

Exhibit 7
NCR's Projected Estimated Working Capital Needs
(in millions, rounded to the nearest million)

	2011	2012	2013	2014	2015	2016	2017
Projected year-end working capital [1]	$ 950	$ 1,036	$ 1,101	$ 1,134	$ 1,168	$ 1,203	$ 1,239
Projected growth in working capital [2]		9.0%	6.3%	3.0%	3.0%	3.0%	3.0%
Projected additions to working capital [3]		86	65	33	34	35	36

Notes/Sources:

[1] 2011 amount equal to NCR's working capital at December 31, 2011. Exhibit 1.3. 2013 through 2017 equal to prior year amount multiplied by 1 + projected growth.

[2] Equal to projected growth in revenues from Exhibit 5.

[3] Calculated as year-end working capital less prior year-end working capital.

Exhibit 8

Exhibit 8

Anticipated Future Fox River Site Remediation Costs

(in millions, rounded to the nearest million)

	2012	2013	2014	2015	2016	2017	Total
NCR's projected Fox River Site costs [1]		$ 37	$ 37	$ 26	$ 26		
NCR's share of total Fox River Site costs [2]		40%	40%	40%	40%		
Total anticipated costs [3]	$ 76	$ 93	$ 93	$ 64	$ 64	$ 64	$ **452**
Projected tax rate [4]	27%	27%	27%	27%	27%	27%	
Anticipated costs after tax	$ 55	$ 68	$ 68	$ 47	$ 47	$ 47	$ **332**

Notes/Sources:

[1] Excludes any impact of insurance recoveries or indemnification parties. NCR Corporation Form 10-K for the year ended December 31, 2011, p. 33.

[2] Dkt 472, p. 3.

[3] 2012 amount based on deposition testimony of Sue O'Connell, a 30(b)(6) witness for NCR. 2013 to 2016 amounts calculated as NCR's projected Fox River Site costs divided by NCR's 40% share of those costs. 2017 amount assumed to be equal to 2016 amount, which I understand is consistent with the deposition testimony of Sue O'Connell.

[4] Projected tax rate per Wedbush Securities (which is consistent with NCR's projected full-year 2012 effective tax rate of 27%). “NCR: Pension Resolution Should Create Material Revaluation; Reiterate OUTPERFORM and Raising Target to $33 from $30”, Wedbush Securities, July 31, 2012. http://seekingalpha.com/article/734641-ncr-management-discusses-q2-2012-results-earnings-call-transcript.

Exhibit 9

Exhibit 9

NCR's Projected Additional Borrowing Capacity Under the Revolving Credit Facility

(In millions, excluding impact of indemnification)

	<--- Historical Amounts						Projected Amounts --->							
	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014
Beginning debt [1]	$ 11.0	$ 11.0	$ 11.0	$ 1,062.0	$ 853.0	$ 827.0	$ 740.0	$ 1,015.0	$ 997.5	$ 962.5	$ 927.5	$ 892.5	$ 857.5	$ 818.8
Original secured credit facility term loan [2]			700.0						(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)
Original revolving credit facility [3]			350.0	(210.0)	(25.0)	(90.0)	(25.0)							
Miscellaneous debt [4]			1.0	1.0	(1.0)	3.0								
Additional secured credit facility term loan [5]							150.0						(3.75)	(3.75)
Additional revolving credit facility [6]							150.0	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)
Ending debt [7]	11.0	11.0	1,062.0	853.0	827.0	740.0	1,015.0	997.5	962.5	927.5	892.5	857.5	818.8	780.0
Average debt [8]	11.0	11.0	536.5	957.5	840.0	783.5	877.5	1,006.3	980.0	945.0	910.0	875.0	838.1	799.4
Interest expense [9]	-	1.0	3.0	9.0	9.0	8.0	9.0	10.3	10.0	9.7	9.3	9.0	8.6	8.2
Quarterly interest rate [10]	0.0%	9.1%	0.6%	0.9%	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Consolidated EBITDA Calculation														
Net income from continuing operations [11]	10.0	35.0	16.0	(11.0)	38.0	67.0	68.8	75.4	53.2	72.0	93.9	93.9	54.7	74.1
Income from discontinued operations [12]	3.0	(2.0)	-	2.0	(9.0)	13.0	(12.5)	(12.5)	(17.0)	(17.0)	(17.0)	(17.0)	(17.0)	(17.0)
Consolidated interest expense	-	1.0	3.0	9.0	9.0	8.0	9.0	10.3	10.0	9.7	9.3	9.0	8.6	8.2
Income tax [13]	2.1	7.3	(1.0)	(7.3)	(4.3)	25.8	20.8	23.3	13.4	20.3	28.4	28.4	14.0	21.1
Depreciation and amortization [14]	37.0	38.0	41.0	52.0	41.0	40.0	37.0	37.0	36.8	36.8	36.8	36.8	35.8	35.8
Extraordinary gains/losses [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-cash charges [15]	-	-	-	98.0	3.0	4.0	-	-	-	-	-	-	-	-
Gain/Loss from early extinguishment of debt [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition costs [15]	-	-	-	45.0	-	-	-	-	-	-	-	-	-	-
Pro Forma adjustments in connection with Material Acquisitions [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated EBITDA	52.1	79.3	59.0	187.7	77.7	157.8	123.2	133.4	96.4	121.8	151.4	151.1	96.1	122.1
Consolidated EBITDA for last 4 quarters				378.1	403.7	482.2	546.4	492.1	510.8	474.8	503.0	520.6	520.3	520.7
Available borrowing on original revolving credit facility [16]	N/A	N/A	350	560	585	675	700	700	700	700	700	700	700	700
Projected Consolidated Leverage Ratio [17]				1.86	1.68	1.22	1.58	1.72	1.59	1.64	1.48	1.36	1.29	1.21
Projected Consolidated Leverage Ratio including all available borrowing on original revolving credit facility [18]				3.35	3.13	2.62	2.86	3.14	2.96	3.11	2.87	2.70	2.63	2.55
Borrowing capacity under the original revolving credit facility based on Consolidated Leverage Ratio [19]				560	585	675	700	700	700	700	700	700	700	700
Projected Interest Coverage Ratio [20]				29.09	18.35	16.63	15.61	13.56	13.69	12.18	12.79	13.70	14.22	14.82
Projected Interest Coverage Ratio assuming all available borrowing on original revolving credit facility at quarter-end was drawn for the prior year [21]				10.7	8.9	8.6	8.6	7.6	7.8	7.1	7.5	7.9	8.1	8.2
Additional debt available at quarter-end under the revolving credit facility that NCR could have supported in the prior year based on Interest Coverage Ratio [22]				560	585	675	700	700	700	700	700	700	700	700

Exhibit 9
NCR's Projected Additional Borrowing Capacity Under the Revolving Credit Facility
(In millions, excluding impact of indemnification)

	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Beginning debt [1]	$ 780.0	$ 858.8	$ 820.0	$ 781.3	$ 742.5	$ 703.8	$ 665.0	$ 743.8	$ 705.0	$ 666.3	$ 627.5	$ 588.8	$ 550.0	$ 382.5
Original secured credit facility term loan [2]	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)
Original revolving credit facility [3]														
Miscellaneous debt [4]														
Additional secured credit facility term loan [5]	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(97.5)	
Additional revolving credit facility [6]	100.0	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	100.0	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(52.5)	
Ending debt [7]	858.8	820.0	781.3	742.5	703.8	665.0	743.8	705.0	666.3	627.5	588.8	550.0	382.5	365.0
Average debt [8]	819.4	839.4	800.6	761.9	723.1	684.4	704.4	724.4	685.6	646.9	608.1	569.4	466.3	373.8
Interest expense [9]	8.4	8.6	8.2	7.8	7.5	7.1	7.3	7.5	7.1	6.7	6.3	5.9	4.9	4.0
Quarterly interest rate [10]	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Consolidated EBITDA Calculation														
Net income from continuing operations [11]	96.6	96.6	56.4	76.4	99.6	99.6	58.1	78.7	102.6	102.6	59.8	81.0	105.6	105.6
Income from discontinued operations [12]	(17.0)	(17.0)	(11.8)	(11.8)	(11.8)	(11.8)	(11.8)	(11.8)	(11.8)	(11.8)	(11.8)	(11.8)	(11.8)	(11.8)
Consolidated interest expense	8.4	8.6	8.2	7.8	7.5	7.1	7.3	7.5	7.1	6.7	6.3	5.9	4.9	4.0
Income tax [13]	29.4	29.4	16.5	23.9	32.5	32.5	17.2	24.7	33.6	33.6	17.8	25.6	34.7	34.7
Depreciation and amortization [14]	35.8	35.8	36.8	36.8	36.8	36.8	38.0	38.0	38.0	38.0	39.0	39.0	39.0	39.0
Extraordinary gains/losses [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-cash charges [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain/Loss from early extinguishment of debt [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition costs [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pro Forma adjustments in connection with Material Acquisitions [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated EBITDA	153.2	153.4	106.2	133.1	164.5	164.2	108.8	137.1	169.5	169.1	111.2	139.7	172.4	171.5
Consolidated EBITDA for last 4 quarters	522.5	524.8	535.0	545.9	557.3	568.0	570.6	574.7	579.6	584.6	587.0	589.6	592.5	594.9
Available borrowing on original revolving credit facility [16]	700	700	700	700	700	700	700	700	700	700	700	700	700	700
Projected Consolidated Leverage Ratio [17]	1.36	1.28	1.18	1.09	0.99	0.91	1.04	0.97	0.89	0.82	0.75	0.68	0.39	0.36
Projected Consolidated Leverage Ratio including all available borrowing on original revolving credit facility [18]	2.70	2.61	2.49	2.37	2.25	2.14	2.27	2.18	2.10	2.01	1.94	1.87	1.57	1.54
Borrowing capacity under the original revolving credit facility based on Consolidated Leverage Ratio [19]	700	700	700	700	700	700	700	700	700	700	700	700	700	700
Projected Interest Coverage Ratio [20]	15.27	15.50	15.97	16.49	17.33	18.56	19.25	19.64	20.07	20.50	21.31	22.68	24.89	28.23
Projected Interest Coverage Ratio assuming all available borrowing on original revolving credit facility at quarter-end was drawn for the prior year [21]	8.4	8.5	8.7	8.9	9.3	9.7	9.9	10.0	10.2	10.3	10.6	10.9	11.4	12.1
Additional debt available at quarter-end under the revolving credit facility that NCR could have supported in the prior year based on Interest Coverage Ratio [22]	700	700	700	700	700	700	700	700	700	700	700	700	700	700

Exhibit 9

NCR's Projected Additional Borrowing Capacity Under the Revolving Credit Facility

(In millions, excluding impact of indemnification)

Notes/Sources:

[1] Historical amounts from NCR Form 10-K and 10-Q filings. Projected amounts equal to prior period ending debt amount.
[2] NCR Form 10-Q for the quarter ended June 30, 2012, pp. 10-11. Assumes the remaining balance would be refinanced in August 2016, resulting in continuing quarterly payments of $17.5 million.
[3] Historical amounts based on NCR Form 10-K and 10-Q filings. Projected amount based on payment to bring outstanding balance to $0.
[4] Adjustments to debt other than the secured credit facility necessary to bring ending debt equal to amounts disclosed in NCR Form 10-K and 10-Q filings.
[5] NCR Form 8-K filed August 22, 2012.
[6] NCR Form 8-K filed August 22, 2012. Timing and amounts of repayment and additional draws assumed.
[7] Historical amounts from NCR Form 10-K and 10-Q filings.
[8] Average of prior quarter ending debt and current quarter ending debt.
[9] Historical amounts from NCR Form 10-K and 10-Q filings. Projected amounts calculated as the difference of average debt less $15 million multiplied by interest rate, plus $15 million multiplied by 10% divided by 4.
[10] Historical amounts calculated as interest expense divided by average debt. Projected amounts equal to the average quarterly interest rate during the time the secured credit facility has been outstanding, or 1%.
[11] Historical amounts from NCR Form 10-K and 10-Q filings. Q3 and Q4 amounts based on S&P projected quarterly amounts. "NCR Corp Stock Report", Standard & Poors, August 11, 2012. Projected amounts equal to projected amount from Exhibit 6 multiplied by quarterly distribution in Exhibit 10.
[12] Historical amounts from NCR Form 10-K and 10-Q filings. Projected amounts based on anticipated Fox River Site costs (after tax) from Exhibit 4, assumes costs incurred evenly during the year.
[13] Calculated based on an estimated 27% tax rate.
[14] Assumes depreciation expense indicated in Exhibit 4 is incurred evenly throughout the year.
[15] Historical amounts from NCR Form 10-K and 10-Q filings.
[16] Calculated as $700 million less the outstanding balance of the original revolving credit facility.
[17] Calculated as outstanding debt at quarter-end minus the lesser of $150 million or the calculation of cash less $250 million, divided by the Consolidated EBITDA for the prior four quarters.
[18] Calculated as outstanding debt at quarter-end plus available borrowing on original revolving credit facility, minus the lesser of $150 million or the calculation of cash less $250 million, divided by Consolidated EBITDA for the prior four quarters.
[19] Portion of the available borrowing on original revolving credit facility that could be used at quarter-end without violating the Consolidated Leverage Ratio covenant.
[20] Calculated as Consolidated EBITDA for the prior four quarters divided by interest expense for the prior four quarters.
[21] Calculated as Consolidated EBITDA for the prior four quarters divided by the total of interest expense for the prior four quarters plus the product of available borrowing on original revolving credit facility at quarter-end and the sum of the quarterly interest rates for the prior four quarters.
[22] Portion of the available borrowing on original revolving credit facility that could be used at quarter-end without violating the Interest Coverage Ratio covenant.

Exhibit 10

Exhibit 10
NCR's Historical EPS Distribution
(Q3 and Q4 2012 projected)

NCR's Historical EPS Amounts [1]

	Q1	Q2	Q3	Q4	Full Year
2012	$ 0.23	$ 0.41	$ 0.42	$ 0.46	$ 1.52
2011	0.07	0.22	0.10	(0.08)	0.31
2010	(0.12)	0.12	0.48	0.20	0.68
2009	(0.09)	0.14	0.09	(0.35)	(0.21)
2008	0.28	0.27	0.49	0.34	1.38
2007	0.19	0.54	0.18	0.52	1.43

NCR's Historical EPS Distribution

	Q1	Q2	Q3	Q4	Full Year
2012	15.1%	27.0%	27.6%	30.3%	100.0%
2011	22.6%	71.0%	32.3%	-25.8%	100.0%
2010	-17.6%	17.6%	70.6%	29.4%	100.0%
2009	42.9%	-66.7%	-42.9%	166.7%	100.0%
2008	20.3%	19.6%	35.5%	24.6%	100.0%
2007	13.3%	37.8%	12.6%	36.4%	100.0%
Mean	16.1%	17.7%	22.6%	43.6%	
Median	17.7%	23.3%	29.9%	29.8%	
Selected	17%	23%	30%	30%	

Notes/Sources:
[1] "NCR Corp Stock Report", Standard & Poors, August 11, 2012.

Exhibit 11

Exhibit 11

NCR's Projected Available Cash and Borrowing Capacity Under its Revolving Credit Agreement After Fox River Site Costs

Including impact of AT&T and Lucent indemnification agreements
(in millions, rounded to the nearest million)

Cash Flow Calculation

	2H 2012	2013	2014	2015	2016	2017
Estimated net income from continuing operations [1]	$ 144	$ 313	$ 322	$ 332	$ 342	$ 352
Plus: Estimated depreciation and amortization [2]	74	147	143	147	152	156
Less: Estimated capital expenditures [3]	(74)	(147)	(143)	(147)	(152)	(156)
Less: Estimated working capital increases [4]	(69)	(65)	(33)	(34)	(35)	(36)
Less: Existing debt repayment [5]	(25)	(70)	(70)	(70)	(70)	(70)
Less: New debt borrowings/repayment [6]		(70)	(68)	(85)	(68)	(193)
Free Cash Flow after debt service before Fox River Site costs	$ 50	$ 108	$ 151	$ 143	$ 169	$ 53
Anticipated Fox River Site costs (after tax) [7]	25	68	34	23	23	23
Free Cash Flow after debt service and anticipated Fox River Site costs	$ 25	$ 40	$ 117	$ 120	$ 146	$ 30

Available cash and additional borrowing capacity under the terms of NCR's revolving credit agreement

	2H 2012	2013	2014	2015	2016	2017
Prior period-end cash balance [8]	$ 377	$ 402	$ 442	$ 559	$ 679	$ 825
Free Cash Flow after debt service and anticipated Fox River Site costs	25	40	117	120	146	30
Year-end Cash Balance [9]	$ 402	$ 442	$ 559	$ 679	$ 825	$ 855
Additional borrowing capacity under the terms of NCR's revolving credit agreement [10]	700	700	700	700	700	700
Available cash and existing borrowing capacity under the original revolving credit agreement after Fox River Site costs	$ 1,102	$ 1,142	$ 1,259	$ 1,379	$ 1,525	$ 1,555

Notes/Sources:

[1] 2H 2012 amount calculated as full-year amount from Exhibit 6 less income from continuing operations from Exhibit 1.1. 2013 through 2017 amounts from Exhibit 6.

[2] 2H 2012 amount equal to Wedbush Securities projection less amount from the six months ended June 30, 2012 from Exhibit 1.4. 2013 amount from Wedbush projection. 2014 through 2017 calculated as 2.2% of revenues. "NCR: Pension Resolution Should Create Material Revaluation; Reiterate OUTPERFORM and Raising Target to $33 from $30", Wedbush Securities, July 31, 2012.

[3] Assumed to be equal to depreciation and amortization beginning after June 30, 2012.

[4] 2H 2012 amount calculated as ending projected working capital from Exhibit 7 less working capital of $967 at June 30, 2012. Exhibit 1.3. 2013 through 2017 amounts from Exhibit 7.

[5] 2H 2012 amount based on assumed repayment of the $25 million outstanding on the revolving credit facility at June 30, 2012. 2013 through 2017 based on principal payment schedule identified in NCR's Form 10-Q filing for the quarter ended June 30, 2012.

[6] Assumes $300 million of new debt taken out in the third quarter of 2012 repaid based on the terms of the debt agreement for the additional term loan and an estimate of the timing of future repayments and borrowings for the additional revolving credit facility. Excludes cash inflows from assumed borrowings on additional revolving credit facility. NCR Form 8-K filed August 22, 2012.

[7] 2H 2012 amount based on full year 2012 amount from Exhibit 8 less $30 million incurred in the six months ended June 30, 2012 (calculated based on $12 million reduction in reserve divided by NCR's assumed 40% share of Fox River Site costs). 2013 through 2017 amounts from Exhibit 8.

[8] 2H 2012 prior period-end cash balance equal to NCR's cash balance at June 30, 2012. NCR Corporation Form 10-Q for the quarter ended June 30, 2012.

[9] Excludes any increase in cash necessary to support additional working capital growth.

[10] Additional borrowing capacity at year end as indicated by leverage ratio and interest coverage ratio calculations in Exhibit 13.

Exhibit 12

Exhibit 12

NCR's Anticipated Fox River Site Remediation Costs Assuming Indemnification from AT&T and Lucent

(in millions, rounded to the nearest million)

	2012	2013	2014	2015	2016	2017
Total anticipated costs [1]	$ 76	$ 93	$ 93	$ 64	$ 64	$ 64
AT&T indemnification [2]			37%	37%	37%	37%
Lucent indemnification [2]			13%	13%	13%	13%
Anticipated costs after API/BAT, AT&T, and Alcatel-Lucent indemnifications	$ 76	$ 93	$ 46	$ 32	$ 32	$ 32
Projected tax rate [3]	27%	27%	27%	27%	27%	27%
Anticipated costs after tax	$ 55	$ 68	$ 34	$ 23	$ 23	$ 23

Notes/Sources:

[1] Exhibit 8.

[2] Lucent Technologies Inc. 10-12b filed February 26, 1996, pp. 66-69.

[3] Projected tax rate per Wedbush Securities (which is consistent with NCR's projected full-year 2012 effective tax rate of 27%). "NCR: Pension Resolution Should Create Material Revaluation; Reiterate OUTPERFORM and Raising Target to $33 from $30", Wedbush Securities, July 31, 2012. http://seekingalpha.com/article/734641-ncr-management-discusses-q2-2012-results-earnings-call-transcript.

Exhibit 13

Exhibit 13

NCR's Projected Additional Borrowing Capacity Under the Revolving Credit Facility

(In millions, including impact of indemnification by AT&T and Lucent)

	<--- Historical Amounts						Projected Amounts --->						
	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
Beginning debt [1]	$ 11.0	$ 11.0	$ 11.0	$ 1,062.0	$ 853.0	$ 827.0	$ 740.0	$ 1,015.0	$ 997.5	$ 962.5	$ 927.5	$ 892.5	$ 857.5
Original secured credit facility term loan [2]			700.0						(17.5)	(17.5)	(17.5)	(17.5)	(17.5)
Original revolving credit facility [3]			350.0	(210.0)	(25.0)	(90.0)	(25.0)						
Miscellaneous debt [4]			1.0	1.0	(1.0)	3.0							
Additional secured credit facility term loan [5]							150.0						(3.75)
Additional revolving credit facility [6]							150.0	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)
Ending debt [7]	11.0	11.0	1,062.0	853.0	827.0	740.0	1,015.0	997.5	962.5	927.5	892.5	857.5	818.8
Average debt [8]	11.0	11.0	536.5	957.5	840.0	783.5	877.5	1,006.3	980.0	945.0	910.0	875.0	838.1
Interest expense [9]	-	1.0	3.0	9.0	9.0	8.0	9.0	10.3	10.0	9.7	9.3	9.0	8.6
Quarterly interest rate [10]	0.0%	9.1%	0.6%	0.9%	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Consolidated EBITDA Calculation													
Net income from continuing operations [11]	10.0	35.0	16.0	(11.0)	38.0	67.0	68.8	75.4	53.2	72.0	93.9	93.9	54.7
Income from discontinued operations [12]	3.0	(2.0)	-	2.0	(9.0)	13.0	(12.5)	(12.5)	(17.0)	(17.0)	(17.0)	(17.0)	(8.5)
Consolidated interest expense	-	1.0	3.0	9.0	9.0	8.0	9.0	10.3	10.0	9.7	9.3	9.0	8.6
Income tax [13]	2.1	7.3	(1.0)	(7.3)	(4.3)	25.8	20.8	23.3	13.4	20.3	28.4	28.4	17.1
Depreciation and amortization [14]	37.0	38.0	41.0	52.0	41.0	40.0	37.0	37.0	36.8	36.8	36.8	36.8	35.8
Extraordinary gains/losses [15]	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-cash charges [15]	-	-	-	98.0	3.0	4.0	-	-	-	-	-	-	-
Gain/Loss from early extinguishment of debt [15]	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition costs [15]	-	-	-	45.0	-	-	-	-	-	-	-	-	-
Pro Forma adjustments in connection with Material Acquisitions [15]	-	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated EBITDA	52.1	79.3	59.0	187.7	77.7	157.8	123.2	133.4	96.4	121.8	151.4	151.1	107.7
Consolidated EBITDA for last 4 quarters				378.1	403.7	482.2	546.4	492.1	510.8	474.8	503.0	520.6	531.9
Available borrowing on original revolving credit facility [16]	N/A	N/A	350	560	585	675	700	700	700	700	700	700	700
Projected Consolidated Leverage Ratio [17]				1.86	1.68	1.22	1.58	1.72	1.59	1.64	1.48	1.36	1.26
Projected Consolidated Leverage Ratio including all available borrowing on original revolving credit facility [18]				3.35	3.13	2.62	2.86	3.14	2.96	3.11	2.87	2.70	2.57
Borrowing capacity under the original revolving credit facility based on Consolidated Leverage Ratio [19]				560	585	675	700	700	700	700	700	700	700
Projected Interest Coverage Ratio [20]				29.09	18.35	16.63	15.61	13.56	13.69	12.18	12.79	13.70	14.54
Projected Interest Coverage Ratio assuming all available borrowing on original revolving credit facility at quarter-end was drawn for the prior year [21]				10.7	8.9	8.6	8.6	7.6	7.8	7.1	7.5	7.9	8.2
credit facility that NCR could have supported in the prior year based on Interest Coverage Ratio [22]				560	585	675	700	700	700	700	700	700	700

Exhibit 13
NCR's Projected Additional Borrowing Capacity Under the Revolving Credit Facility
(In millions, including impact of indemnification by AT&T and Lucent)

	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Beginning debt [1]	$ 818.8	$ 780.0	$ 858.8	$ 820.0	$ 781.3	$ 742.5	$ 703.8	$ 665.0	$ 743.8	$ 705.0	$ 666.3	$ 627.5	$ 588.8	$ 550.0	$ 382.5
Original secured credit facility term loan [2]	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)
Original revolving credit facility [3]															
Miscellaneous debt [4]															
Additional secured credit facility term loan [5]	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(97.5)	
Additional revolving credit facility [6]	(17.5)	100.0	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	100.0	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(52.5)	
Ending debt [7]	780.0	858.8	820.0	781.3	742.5	703.8	665.0	743.8	705.0	666.3	627.5	588.8	550.0	382.5	365.0
Average debt [8]	799.4	819.4	839.4	800.6	761.9	723.1	684.4	704.4	724.4	685.6	646.9	608.1	569.4	466.3	373.8
Interest expense [9]	8.2	8.4	8.6	8.2	7.8	7.5	7.1	7.3	7.5	7.1	6.7	6.3	5.9	4.9	4.0
Quarterly interest rate [10]	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Consolidated EBITDA Calculation															
Net income from continuing operations [11]	74.1	96.6	96.6	56.4	76.4	99.6	99.6	58.1	78.7	102.6	102.6	59.8	81.0	105.6	105.6
Income from discontinued operations [12]	(8.5)	(8.5)	(8.5)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)	(5.8)
Consolidated interest expense	8.2	8.4	8.6	8.2	7.8	7.5	7.1	7.3	7.5	7.1	6.7	6.3	5.9	4.9	4.0
Income tax [13]	24.2	32.6	32.6	18.7	26.1	34.7	34.7	19.4	27.0	35.8	35.8	20.0	27.8	36.9	36.9
Depreciation and amortization [14]	35.8	35.8	35.8	36.8	36.8	36.8	36.8	38.0	38.0	38.0	38.0	39.0	39.0	39.0	39.0
Extraordinary gains/losses [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-cash charges [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain/Loss from early extinguishment of debt [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition costs [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pro Forma adjustments in connection with Material Acquisitions [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated EBITDA	133.8	164.9	165.1	114.4	141.3	172.8	172.4	117.0	145.3	177.8	177.4	119.4	147.9	180.7	179.7
Consolidated EBITDA for last 4 quarters	544.0	557.4	571.4	578.1	585.6	593.6	600.9	603.5	607.5	612.5	617.5	619.9	622.5	625.4	627.8
Available borrowing on original revolving credit facility [16]	700	700	700	700	700	700	700	700	700	700	700	700	700	700	700
Projected Consolidated Leverage Ratio [17]	1.16	1.27	1.17	1.09	1.01	0.93	0.86	0.98	0.91	0.84	0.77	0.71	0.64	0.37	0.34
Projected Consolidated Leverage Ratio including all available borrowing on original revolving credit facility [18]	2.45	2.53	2.40	2.30	2.21	2.11	2.02	2.14	2.07	1.99	1.91	1.84	1.77	1.49	1.46
Borrowing capacity under the original revolving credit facility based on Consolidated Leverage Ratio [19]	700	700	700	700	700	700	700	700	700	700	700	700	700	700	700
Projected Interest Coverage Ratio [20]	15.49	16.29	16.87	17.26	17.69	18.46	19.64	20.36	20.76	21.20	21.66	22.50	23.94	26.27	29.79
Projected Interest Coverage Ratio assuming all available borrowing on original revolving credit facility at quarter-end was drawn for the prior year [21]	8.6	9.0	9.2	9.4	9.6	9.9	10.3	10.5	10.6	10.8	10.9	11.2	11.5	12.1	12.8
credit facility that NCR could have supported in the prior year based on Interest Coverage Ratio [22]	700	700	700	700	700	700	700	700	700	700	700	700	700	700	700

Exhibit 13

NCR's Projected Additional Borrowing Capacity Under the Revolving Credit Facility

(In millions, including impact of indemnification by AT&T and Lucent)

Notes/Sources:

[1] Historical amounts from NCR Form 10-K and 10-Q filings. Projected amounts equal to prior period ending debt amount.
[2] NCR Form 10-Q for the quarter ended June 30, 2012, pp. 10-11. Assumes the remaining balance would be refinanced in August 2016, resulting in continuing quarterly payments of $17.5 million.
[3] Historical amounts based on NCR Form 10-K and 10-Q filings. Projected amount based on payment to bring outstanding balance to $0.
[4] Adjustments to debt other than the secured credit facility necessary to bring ending debt equal to amounts disclosed in NCR Form 10-K and 10-Q filings.
[5] NCR Form 8-K filed August 22, 2012.
[6] NCR Form 8-K filed August 22, 2012. Timing and amounts of repayment and additional draws assumed.
[7] Historical amounts from NCR Form 10-K and 10-Q filings.
[8] Average of prior quarter ending debt and current quarter ending debt.
[9] Historical amounts from NCR Form 10-K and 10-Q filings. Projected amounts calculated as the difference of average debt less $15 million multiplied by interest rate, plus $15 million multiplied by 10% divided by 4.
[10] Historical amounts calculated as interest expense divided by average debt. Projected amounts equal to the average quarterly interest rate during the time the secured credit facility has been outstanding, or 1%.
[11] Historical amounts from NCR Form 10-K and 10-Q filings. Q3 and Q4 amounts based on S&P projected quarterly amounts. "NCR Corp Stock Report", Standard & Poors, August 11, 2012. Projected amounts equal to projected amount from Exhibit 6 multiplied by quarterly distribution in Exhibit 10.
[12] Historical amounts from NCR Form 10-K and 10-Q filings. Projected amounts based on anticipated Fox River Site costs (after tax) from Exhibit 11, assumes costs incurred evenly during the year.
[13] Calculated based on an estimated 27% tax rate.
[14] Assumes depreciation expense indicated in Exhibit 11 is incurred evenly throughout the year.
[15] Historical amounts from NCR Form 10-K and 10-Q filings.
[16] Calculated as $700 million less the outstanding balance of the original revolving credit facility.
[17] Calculated as outstanding debt at quarter-end minus the lesser of $150 million or the calculation of cash less $250 million, divided by the Consolidated EBITDA for the prior four quarters.
[18] Calculated as outstanding debt at quarter-end plus available borrowing on original revolving credit facility, minus the lesser of $150 million or the calculation of cash less $250 million, divided by Consolidated EBITDA for the prior four quarters.
[19] Portion of the available borrowing on original revolving credit facility that could be used at quarter-end without violating the Consolidated Leverage Ratio covenant.
[20] Calculated as Consolidated EBITDA for the prior four quarters divided by interest expense for the prior four quarters.
[21] Calculated as Consolidated EBITDA for the prior four quarters divided by the total of interest expense for the prior four quarters plus the product of available borrowing on original revolving credit facility at quarter-end and the sum of the quarterly interest rates for the prior four quarters.
[22] Portion of the available borrowing on original revolving credit facility that could be used at quarter-end without violating the Interest Coverage Ratio covenant.

Exhibit 14

Exhibit 14

NCR's Projected Available Cash and Borrowing Capacity Under its Revolving Credit Agreement After Fox River Site Costs

Including impact of AT&T, Lucent, and API/BAT indemnification agreements
(in millions, rounded to the nearest million)

Cash Flow Calculation

	2H 2012	2013	2014	2015	2016	2017
Estimated net income from continuing operations [1]	$ 144	$ 313	$ 322	$ 332	$ 342	$ 352
Plus: Estimated depreciation and amortization [2]	74	147	143	147	152	156
Less: Estimated capital expenditures [3]	(74)	(147)	(143)	(147)	(152)	(156)
Less: Estimated working capital increases [4]	(69)	(65)	(33)	(34)	(35)	(36)
Less: Existing debt repayment [5]	(25)	(70)	(70)	(70)	(70)	(70)
Less: New debt borrowings/repayment [6]		(70)	(68)	(85)	(68)	(193)
Free Cash Flow after debt service before Fox River Site costs	$ 50	$ 108	$ 151	$ 143	$ 169	$ 53
Anticipated Fox River Site costs (after tax) [7]	(8)	27	14	9	9	9
Free Cash Flow after debt service and anticipated Fox River Site costs	$ 58	$ 81	$ 137	$ 134	$ 160	$ 44

Available cash and additional borrowing capacity under the terms of NCR's revolving credit agreement

	2H 2012	2013	2014	2015	2016	2017
Prior period-end cash balance [8]	$ 377	$ 435	$ 516	$ 653	$ 787	$ 947
Free Cash Flow after debt service and anticipated Fox River Site costs	58	81	137	134	160	44
Year-end Cash Balance [9]	$ 435	$ 516	$ 653	$ 787	$ 947	$ 991
Additional borrowing capacity under the terms of NCR's revolving credit agreement [10]	700	700	700	700	700	700
Available cash and existing borrowing capacity under the original revolving credit agreement after Fox River Site costs	$ 1,135	$ 1,216	$ 1,353	$ 1,487	$ 1,647	$ 1,691

Notes/Sources:

[1] 2H 2012 amount calculated as full-year amount from Exhibit 6 less income from continuing operations from Exhibit 1.1. 2013 through 2017 amounts from Exhibit 6.

[2] 2H 2012 amount equal to Wedbush Securities projection less amount from the six months ended June 30, 2012 from Exhibit 1.4. 2013 amount from Wedbush projection. 2014 through 2017 calculated as 2.2% of revenues. "NCR: Pension Resolution Should Create Material Revaluation; Reiterate OUTPERFORM and Raising Target to $33 from $30", Wedbush Securities, July 31, 2012.

[3] Assumed to be equal to depreciation and amortization beginning after June 30, 2012.

[4] 2H 2012 amount calculated as ending projected working capital from Exhibit 7 less working capital of $967 at June 30, 2012. Exhibit 1.3. 2013 through 2017 amounts from Exhibit 7.

[5] 2H 2012 amount based on assumed repayment of the $25 million outstanding on the revolving credit facility at June 30, 2012. 2013 through 2017 based on principal payment schedule identified in NCR's Form 10-Q filing for the quarter ended June 30, 2012.

[6] Assumes $300 million of new debt taken out in the third quarter of 2012 repaid based on the terms of the debt agreement for the additional term loan and an estimate of the timing of future repayments and borrowings for the additional revolving credit facility. Excludes cash inflows from assumed borrowings on additional revolving credit facility. NCR Form 8-K filed August 22, 2012.

[7] 2H 2012 amount based on full year 2012 amount from Exhibit 8 less $30 million incurred in the six months ended June 30, 2012 (calculated based on $12 million reduction in reserve divided by NCR's assumed 40% share of Fox River Site costs). 2013 through 2017 amounts from Exhibit 8.

[8] 2H 2012 prior period-end cash balance equal to NCR's cash balance at June 30, 2012. NCR Corporation Form 10-Q for the quarter ended June 30, 2012.

[9] Excludes any increase in cash necessary to support additional working capital growth.

[10] Additional borrowing capacity at year end as indicated by leverage ratio and interest coverage ratio calculations in Exhibit 16.

Exhibit 15

Exhibit 15

NCR's Anticipated Fox River Site Remediation Costs Assuming Indemnification from API/AWA/BAT, AT&T, and Alcatel-Lucent

(in millions, rounded to the nearest million)

	2012	2013	2014	2015	2016	2017
Total anticipated costs [1]	$ 76	$ 93	$ 93	$ 64	$ 64	$ 64
API/BAT Indemnification [2]	60%	60%	60%	60%	60%	60%
Anticipated costs after API/BAT indemnification	$ 30	$ 37	$ 37	$ 26	$ 26	$ 26
AT&T indemnification [3]			37%	37%	37%	37%
Alcatel-Lucent indemnification [3]			13%	13%	13%	13%
Anticipated costs after API/BAT, AT&T, and Alcatel-Lucent indemnifications	$ 30	$ 37	$ 19	$ 13	$ 13	$ 13
Projected tax rate [4]	27%	27%	27%	27%	27%	27%
Anticipated costs after tax	$ 22	$ 27	$ 14	$ 9	$ 9	$ 9

Notes/Sources:

[1] Exhibit 8.

[2] Dkt 472, p. 3.

[3] Lucent Technologies Inc. 10-12b filed February 26, 1996, pp. 66-69.

[4] Projected tax rate per Wedbush Securities (which is consistent with NCR's projected full-year 2012 effective tax rate of 27%). "NCR: Pension Resolution Should Create Material Revaluation; Reiterate OUTPERFORM and Raising Target to $33 from $30", Wedbush Securities, July 31, 2012. http://seekingalpha.com/article/734641-ncr-management-discusses-q2-2012-results-earnings-call-transcript.

Exhibit 16

Exhibit 16

NCR's Projected Additional Borrowing Capacity Under the Revolving Credit Facility

(In millions, including impact of indemnification by AT&T, Lucent, and API or BAT)

	<--- Historical Amounts						Projected Amounts --->						
	Q1 2011	Q2 2011	Q3 2011	Q4 2011	Q1 2012	Q2 2012	Q3 2012	Q4 2012	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014
Beginning debt [1]	$ 11.0	$ 11.0	$ 11.0	$ 1,062.0	$ 853.0	$ 827.0	$ 740.0	$ 1,015.0	$ 997.5	$ 962.5	$ 927.5	$ 892.5	$ 857.5
Original secured credit facility term loan [2]			700.0						(17.5)	(17.5)	(17.5)	(17.5)	(17.5)
Original revolving credit facility [3]			350.0	(210.0)	(25.0)	(90.0)	(25.0)						
Miscellaneous debt [4]			1.0	1.0	(1.0)	3.0							
Additional secured credit facility term loan [5]							150.0						(3.75)
Additional revolving credit facility [6]							150.0	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)
Ending debt [7]	11.0	11.0	1,062.0	853.0	827.0	740.0	1,015.0	997.5	962.5	927.5	892.5	857.5	818.8
Average debt [8]	11.0	11.0	536.5	957.5	840.0	783.5	877.5	1,006.3	980.0	945.0	910.0	875.0	838.1
Interest expense [9]	-	1.0	3.0	9.0	9.0	8.0	9.0	10.3	10.0	9.7	9.3	9.0	8.6
Quarterly interest rate [10]	0.0%	9.1%	0.6%	0.9%	1.1%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Consolidated EBITDA Calculation													
Net income from continuing operations [11]	10.0	35.0	16.0	(11.0)	38.0	67.0	68.8	75.4	53.2	72.0	93.9	93.9	54.7
Income from discontinued operations [12]	3.0	(2.0)	-	2.0	(9.0)	13.0	4.0	4.0	(6.8)	(6.8)	(6.8)	(6.8)	(3.5)
Consolidated interest expense	-	1.0	3.0	9.0	9.0	8.0	9.0	10.3	10.0	9.7	9.3	9.0	8.6
Income tax [13]	2.1	7.3	(1.0)	(7.3)	(4.3)	25.8	26.9	29.4	17.2	24.1	32.2	32.2	19.0
Depreciation and amortization [14]	37.0	38.0	41.0	52.0	41.0	40.0	37.0	37.0	36.8	36.8	36.8	36.8	35.8
Extraordinary gains/losses [15]	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-cash charges [15]	-	-	-	98.0	3.0	4.0	-	-	-	-	-	-	-
Gain/Loss from early extinguishment of debt [15]	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition costs [15]	-	-	-	45.0	-	-	-	-	-	-	-	-	-
Pro Forma adjustments in connection with Material Acquisitions [15]	-	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated EBITDA	52.1	79.3	59.0	187.7	77.7	157.8	145.8	156.0	110.4	135.8	165.5	165.1	114.5
Consolidated EBITDA for last 4 quarters				378.1	403.7	482.2	569.0	537.3	570.1	548.0	567.7	576.8	580.9
Available borrowing on original revolving credit facility [16]	N/A	N/A	350	560	585	675	700	700	700	700	700	700	700
Projected Consolidated Leverage Ratio [17]				1.86	1.68	1.22	1.52	1.58	1.43	1.42	1.31	1.23	1.15
Projected Consolidated Leverage Ratio including all available borrowing on original revolving credit facility [18]				3.35	3.13	2.62	2.75	2.88	2.65	2.70	2.54	2.44	2.36
Borrowing capacity under the original revolving credit facility based on Consolidated Leverage Ratio [19]				560	585	675	700	700	700	700	700	700	700
Projected Interest Coverage Ratio [20]				29.09	18.35	16.63	16.26	14.81	15.28	14.06	14.44	15.18	15.88
Projected Interest Coverage Ratio assuming all available borrowing on original revolving credit facility at quarter-end was drawn for the prior year [21]				10.7	8.9	8.6	9.0	8.3	8.7	8.2	8.4	8.7	9.0
credit facility that NCR could have supported in the prior year based on Interest Coverage Ratio [22]				560	585	675	700	700	700	700	700	700	700

Exhibit 16
NCR's Projected Additional Borrowing Capacity Under the Revolving Credit Facility
(In millions, including impact of indemnification by AT&T, Lucent, and API or BAT)

	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017
Beginning debt [1]	$ 818.8	$ 780.0	$ 858.8	$ 820.0	$ 781.3	$ 742.5	$ 703.8	$ 665.0	$ 743.8	$ 705.0	$ 666.3	$ 627.5	$ 588.8	$ 550.0	$ 382.5
Original secured credit facility term loan [2]	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)
Original revolving credit facility [3]															
Miscellaneous debt [4]															
Additional secured credit facility term loan [5]	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(3.75)	(97.5)	
Additional revolving credit facility [6]	(17.5)	100.0	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	100.0	(17.5)	(17.5)	(17.5)	(17.5)	(17.5)	(52.5)	
Ending debt [7]	780.0	858.8	820.0	781.3	742.5	703.8	665.0	743.8	705.0	666.3	627.5	588.8	550.0	382.5	365.0
Average debt [8]	799.4	819.4	839.4	800.6	761.9	723.1	684.4	704.4	724.4	685.6	646.9	608.1	569.4	466.3	373.8
Interest expense [9]	8.2	8.4	8.6	8.2	7.8	7.5	7.1	7.3	7.5	7.1	6.7	6.3	5.9	4.9	4.0
Quarterly interest rate [10]	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Consolidated EBITDA Calculation															
Net income from continuing operations [11]	74.1	96.6	96.6	56.4	76.4	99.6	99.6	58.1	78.7	102.6	102.6	59.8	81.0	105.6	105.6
Income from discontinued operations [12]	(3.5)	(3.5)	(3.5)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)
Consolidated interest expense	8.2	8.4	8.6	8.2	7.8	7.5	7.1	7.3	7.5	7.1	6.7	6.3	5.9	4.9	4.0
Income tax [13]	26.1	34.4	34.4	20.0	27.4	36.0	36.0	20.7	28.3	37.1	37.1	21.3	29.1	38.2	38.2
Depreciation and amortization [14]	35.8	35.8	35.8	36.8	36.8	36.8	36.8	38.0	38.0	38.0	38.0	39.0	39.0	39.0	39.0
Extraordinary gains/losses [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other non-cash charges [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain/Loss from early extinguishment of debt [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition costs [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Pro Forma adjustments in connection with Material Acquisitions [15]	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Consolidated EBITDA	140.6	171.7	171.9	119.2	146.1	177.6	177.2	121.8	150.1	182.5	182.2	124.2	152.7	185.5	184.5
Consolidated EBITDA for last 4 quarters	585.7	592.0	598.8	603.4	608.9	614.8	620.1	622.7	626.7	631.7	636.7	639.0	641.6	644.6	646.9
Available borrowing on original revolving credit facility [16]	700	700	700	700	700	700	700	700	700	700	700	700	700	700	700
Projected Consolidated Leverage Ratio [17]	1.08	1.20	1.12	1.05	0.97	0.90	0.83	0.95	0.89	0.82	0.75	0.69	0.62	0.36	0.33
Projected Consolidated Leverage Ratio including all available borrowing on original revolving credit facility [18]	2.27	2.38	2.29	2.21	2.12	2.04	1.96	2.08	2.00	1.93	1.85	1.78	1.71	1.45	1.41
Borrowing capacity under the original revolving credit facility based on Consolidated Leverage Ratio [19]	700	700	700	700	700	700	700	700	700	700	700	700	700	700	700
Projected Interest Coverage Ratio [20]	16.68	17.30	17.68	18.02	18.39	19.12	20.26	21.01	21.42	21.87	22.33	23.20	24.68	27.08	30.70
Projected Interest Coverage Ratio assuming all available borrowing on original revolving credit facility at quarter-end was drawn for the prior year [21]	9.3	9.5	9.7	9.8	10.0	10.2	10.6	10.8	10.9	11.1	11.3	11.5	11.9	12.4	13.2
credit facility that NCR could have supported in the prior year based on Interest Coverage Ratio [22]	700	700	700	700	700	700	700	700	700	700	700	700	700	700	700

Exhibit 16

NCR's Projected Additional Borrowing Capacity Under the Revolving Credit Facility

(In millions, including impact of indemnification by AT&T, Lucent, and API or BAT)

Notes/Sources:

[1] Historical amounts from NCR Form 10-K and 10-Q filings. Projected amounts equal to prior period ending debt amount.
[2] NCR Form 10-Q for the quarter ended June 30, 2012, pp. 10-11. Assumes the remaining balance would be refinanced in August 2016, resulting in continuing quarterly payments of $17.5 million.
[3] Historical amounts based on NCR Form 10-K and 10-Q filings. Projected amount based on payment to bring outstanding balance to $0.
[4] Adjustments to debt other than the secured credit facility necessary to bring ending debt equal to amounts disclosed in NCR Form 10-K and 10-Q filings.
[5] NCR Form 8-K filed August 22, 2012.
[6] NCR Form 8-K filed August 22, 2012. Timing and amounts of repayment and additional draws assumed.
[7] Historical amounts from NCR Form 10-K and 10-Q filings.
[8] Average of prior quarter ending debt and current quarter ending debt.
[9] Historical amounts from NCR Form 10-K and 10-Q filings. Projected amounts calculated as the difference of average debt less $15 million multiplied by interest rate, plus $15 million multiplied by 10% divided by 4.
[10] Historical amounts calculated as interest expense divided by average debt. Projected amounts equal to the average quarterly interest rate during the time the secured credit facility has been outstanding, or 1%.
[11] Historical amounts from NCR Form 10-K and 10-Q filings. Q3 and Q4 amounts based on S&P projected quarterly amounts. "NCR Corp Stock Report", Standard & Poors, August 11, 2012. Projected amounts equal to projected amount from Exhibit 6 multiplied by quarterly distribution in Exhibit 10.
[12] Historical amounts from NCR Form 10-K and 10-Q filings. Projected amounts based on anticipated Fox River Site costs (after tax) from Exhibit 14, assumes costs incurred evenly during the year.
[13] Calculated based on an estimated 27% tax rate.
[14] Assumes depreciation expense indicated in Exhibit 14 is incurred evenly throughout the year.
[15] Historical amounts from NCR Form 10-K and 10-Q filings.
[16] Calculated as $700 million less the outstanding balance of the original revolving credit facility.
[17] Calculated as outstanding debt at quarter-end minus the lesser of $150 million or the calculation of cash less $250 million, divided by the Consolidated EBITDA for the prior four quarters.
[18] Calculated as outstanding debt at quarter-end plus available borrowing on original revolving credit facility, minus the lesser of $150 million or the calculation of cash less $250 million, divided by Consolidated EBITDA for the prior four quarters.
[19] Portion of the available borrowing on original revolving credit facility that could be used at quarter-end without violating the Consolidated Leverage Ratio covenant.
[20] Calculated as Consolidated EBITDA for the prior four quarters divided by interest expense for the prior four quarters.
[21] Calculated as Consolidated EBITDA for the prior four quarters divided by the total of interest expense for the prior four quarters plus the product of available borrowing on original revolving credit facility at quarter-end and the sum of the quarterly interest rates for the prior four quarters.
[22] Portion of the available borrowing on original revolving credit facility that could be used at quarter-end without violating the Interest Coverage Ratio covenant.